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Excommunication in the valleys p19

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CHRISTMAS CHAMPAGNE
The best of the bubbly
Toys for the boys p15

WORLD NEWS

Brittan sees danger of losing touch

Home Secretary Leon Brittan yesterday conceded in the wake of the Southgate by-election that communication between the Government and its supporters might be "less good than it should be."

On the Channel 4 Week in Politics programme, he acknowledged the danger that government might fail to respond to its supporters after 5 1/2 years in power.

Tory candidate Michael Portillo held Southgate, one of the Government's safest London seats, but with a majority cut from almost 16,000 to 4,711. Page 3

Author jailed over death

Children's author Helen Charlotte Hough was jailed for nine months at the Old Bailey for helping an old woman commit suicide by placing a plastic bag over her head after she had taken an overdose of drugs. She admitted attempted murder. Page 3

Soldier guilty of murder

Pte Ian Thain was jailed for life in Belfast, the first British soldier to be found guilty of murder while on duty in Northern Ireland. Page 3

Solicitors attack RUC

A group of 18 Northern Ireland solicitors claimed the Royal Ulster Constabulary was forcing innocent people to spy on the IRA. The RUC denied it. Page 3

Hunger strike refugees

About 40 of the East Germans who have been in West Germany's Prague embassy for three months began a hunger strike to back demands for exit visas. Page 2

Nato supports Shultz

U.S. State Secretary George Shultz won the backing of Nato allies for his talks with Andrei Gromyko of the USSR on disarmament. Page 2

50,000 flee Bhopal

Another 50,000 people fled from Bhopal, India, where scientists are planning to neutralise the poison gas that killed 2,500 last week. Some 150,000 have now left. Page 2

Lebanon angry at raid

Lebanon said it was considering protesting to the UN at an Israeli operation in south Lebanon in which two villagers were killed. Page 2

BMA stands by claims

The British Medical Association denied misleading doctors over government proposals to cut the NHS drug bill. Page 5

Polisario rebels backed

Mauritania's new military rulers, who seized power on Wednesday, reaffirmed support for Polisario rebels fighting Morocco in the Western Sahara. Page 2

Briefly ...

Spanish poet Vicente Aleixandre, 1977 Nobel Prize winner, died aged 86.
Transport strikes brought traffic jams to Italian cities.
Financial Times
We apologise for any typographical errors, particularly in statistical material, in this edition resulting from action by National Graphical Association and Sogat members in the FT reading room.

BUSINESS SUMMARY

Annual rate of inflation falls to 4.9%

ANNUAL inflation rate edged down to 4.9 per cent last month from 5 per cent in October, and the Government forecast a further fall this month. The retail price index rose 0.3 per cent in November, with most of the increase accounted for by dearer coal, newspapers, cigarettes and some foods. Back Page

Equities reached record levels

AS INSTITUTIONAL buying continued, encouraged by reports on the possible scope of tax cuts in the Budget, British Telecom shares closed up 2 at 100 1/4, more than double the initial offer level. The FT Ordinary Share Index gained 7.8 to a record 955.4. Page 24

Building Societies' net receipts fell to £363m

IN NOVEMBER, less than a third of October's level, mainly through the withdrawal of funds to buy British Telecom shares. Page 3

OECD is marginally more optimistic

ABOUT world growth prospects for next year than at the time of last half-yearly Economic Outlook in July. Back Page

U.S. told Poland's government that it is lifting its veto

ON POLISH membership of the IMF. Back Page

VOSPER Thornycroft directors intend to launch a bid for the company

ONE of seven British Shipbuilders' warship yards due to be privatised in the next 15 months. Page 5

HIGHER PAY rises are forecast for next year by Industrial Relations Services, a research company.

Page 6

MOTOR INDUSTRY: Nearly 130 small companies in the after-sales sector are to co-operate in a bid to cut costs and win more export business.

Page 5

ELECTROLUX of Sweden became Europe's biggest single domestic appliance maker with the formalisation of its deal to take control of Zanussi of Italy.

Page 21

ATLANTIC Richfield, Los Angeles-based oil group, agreed to pay \$22.5m (£16.9m) to settle its part of a nine-year-old anti-trust suit charging seven oil companies with conspiring to underpay for crude pumped from public lands.

Page 21

INTASUN, holiday and travel concern, reported a £3.54m fall in pre-tax profits to £16.48m in the six months to September 30, and warned that the winter season loss will exceed the previous £3.5m.

Page 20; Lex, Back Page

INFILIAL laundry and cleaning group, raised first-half pre-tax profits to £14.37m from £13.56m on turnover £20.39m ahead to £128.57m.

Page 20

Laker litigation delays privatisation of BA

BRITISH AIRWAYS' privatisation, expected next February, has been postponed, probably until the early summer of next year.

The delay appears to have been accepted by the Government and the BA board as an unavoidable consequence of intense negotiations behind the scenes to reach an out-of-court settlement with Mr Christopher Morris, the Laker Airways liquidator.

Concern has been growing in recent days about the threat to privatisation posed by Mr Morris's litigation against BA. He is pressing for treble damages in excess of £1bn (£840m) in the U.S. courts on the grounds that BA and other airlines conspired to bring about Laker's collapse.

Lord King, BA's chairman, yesterday presented his full board with a review of the obstacles to completion of a privatisation prospectus. The legal problem has now come to the fore, and attempts to agree on

a financial settlement for the Laker creditors are believed to have reached a critical stage.

Also awaiting resolution is the long-standing impasse over BA's balance sheet. The City advisers on the privatisation are continuing to press for an injection of fresh capital from the Government. They have their sights on £400m which might reduce BA's net debt to around 50 per cent or less of shareholders' funds.

The Treasury is understood to have been insisting that the injection of any extra funds looks unnecessary given the strong cash flow expected for BA's future operations.

Other outstanding financial issues are regarded as less of a problem. It has to be decided, for example, how much preference should be given to employees in the sale of BA's shares, and how large an advertising budget should be set aside to help attract demand for the shares from the general public. These questions, and even the

matter of BA's capital structure, are apparently still seen as less than insuperable barriers to a February publication date for the prospectus. BA itself has made no secret of its February 14 target date.

The legal complication, however, seems to have emerged late in the day as potentially the biggest problem of all. BA's report and accounts dated June 1 stated briefly the directors' belief that Laker's damages case was "unfounded."

Hill Samuels, the merchant bank adviser to the privatisation, is known to be adamant that, as long as the litigation were pending, a more substantial reference to the problem would be needed in the sale prospectus. The attempt to find a compromise between BA and the Laker liquidator reflects a general view that any reasonable settlement would satisfy the market far more than a footnote in BA's accounts.

A U.S. criminal action against Hill Samuels, Continued on Back Page

Walker cool on TUC pit plan

Mr Norman Willis, the TUC general secretary, said the demand that the NUM make concessions in advance of talks "posed enormous difficulties for any negotiator."

The TUC team will meet the three NUM leaders, probably on Monday, and is likely to explore further the scope for flexibility on the NUM side.

Both the TUC Finance and General Purposes Committee on Monday, and the General Council on Wednesday, will again discuss prospects for new negotiations, knowing that the

Rulings that could have a significant effect on current and future court actions by working miners were made by a High Court judge yesterday, in the most important judgment yet delivered on the strike.

Among points made by Mr Justice Vinelott were:

- Government and the NCB will not budget until they see that the NUM is willing to move.
- Ministers believe that some of the seven TUC leaders are convinced of the need for concessions on the NUM's part. They even claim to have earlier indications of this at yesterday's meeting, a point firmly denied by the TUC.
- It is unlikely that talks can re-start before the New Year. The Government and the board rest their hopes on a renewed "surge" back to work in January.
- The TUC proposal is for the board to drop formally its planned cut in production of 4m tonnes, announced on March 6, and its proposed closure of

five pits. These are, it believes, not likely to be controversial because of the estimated 70m tonnes of coal lost during the 9 1/2 months of the strike.

Once that is agreed the TUC suggests that the miners return to work on the explicit understanding that a revised Plan for Coal is negotiated between mining unions, Government and the NCB by a specified date.

Implicit in this proposal is the assumption that such a Plan would scale down the production targets of the present Plan, which call for output of 135m tonnes by next year, to a planned level of about 100m tonnes.

Continued on Back Page

Jenkin to announce clampdown in councils' capital spending

A SEVERE clampdown on local authority capital spending programmes in 1985-86, which will cut the construction industry £800m of work, is to be announced by Patrick Jenkin, Environment Secretary, on Tuesday. The decision is likely to lead to a major parliamentary row and angry reprimand from the construction industry.

Council housing is to bear the brunt of the cuts with a reduction in new spending of about £600m or 24 per cent in 1985-86 compared with the present year.

The impetus for the cut has come from the Treasury, and its imposition is against Mr Jenkin's wish.

In addition, the Treasury, backed by the Cabinet on Thursday, has refused to give any promise that the capital programme will not be further affected by, for example, a moratorium on new contracts or an emergency package during the summer.

The clampdown is partly the result of the success of the Government's policy of encouraging councils to sell land and houses to generate cash which can be used for new capital projects. In recent years the spending of some of these capital

receipts, coming on top of normal spending up to the allocated annual limits for borrowing for capital investment, has meant that the total capital cash limit on local authority expenditure has been broken. This contrasts with earlier years when capital underspends.

In 1983-84, the excess was £400m, and this is likely to be repeated in this financial year. At the same time, local authorities have accumulated an unspent cash mountain of about £4.5bn from land and house sales, and the Treasury has been anxious for some time to prevent this money suddenly flooding into the economy.

In addition, councils have about £2bn in their current account reserves, balances and special funds. That poses an almost equally large theoretical threat of destabilisation from the current expenditure side.

Mr Jenkin will announce on Tuesday that the total borrowing limit for housing investment for England will be cut to £1.6bn in 1985-86 against this year's £1.853bn. This just meets a previous Government guarantee that next year's investment limits would not be less than 80 per cent of this

year's figures.

In addition the proportion of accumulated funds from council house sales which can be added to the allocation will be cut from the present 40 per cent to 20 per cent. This, although those funds financed about 500m of extra capital spending this year, the figure will be down to £300m next year.

Overall the total available for housing capital spending will be £1.9bn compared with £2.3bn this year.

The Government is also clamping down on the amount of other accumulated receipts — those from sources other than council house sales — which can be spent. The proportion will fall from 50 per cent (100 per cent in the case of housing land sales).

These measures will prevent a further £300m of capital spending, bringing the total to £300m.

The decisions come after a fierce battle, finally resolved by the Cabinet on Thursday, in which Mr Nigel Lawson, the Chancellor, has been closely involved.

Mr Jenkin wanted the present proportions to remain and has clearly had to concede much more than the Treasury.

MARKETS

DOLLAR
New York lunchtime
DM 3.091
FF 2.4775
SFr 2.545
Y247.65
London
DM 3.089 (3.104)
FF 2.4725 (2.515)
SFr 2.5425 (2.561)
Y247.75 (247.5)
Dollar Index 143.3 (143.1)
Tokyo close Y247.72

U.S. LUNCHTIME RATES
Fed funds 6 1/4
3-month Treasury Bills: 8.01 1/2
Long Bond: 10 1/4
Yield: 11.54

GHID
New York Comex Dec latest \$322.8
London: \$322.5 (\$25.25)

STERLING
New York lunchtime \$1.1948
London: \$1.193 (1.19)
DM 3.7075 (3.635)
FF 11.3825 (11.32)
SFr 3.6575 (3.6475)
Y296.25 (294.5)
Sterling Index 74.2 (74.3)

LONDON MONEY
3-month interbank: mid rate 9 1/2% (9 1/2%)
3-month eligible bills: buying rate 9 1/2% (9 1/2%)

STOCK INDICES
FT Ind Ord 955.4 (+7.8)
FT-A All Share 578.55 (+0.7%)
FT-SE 100 1204.5 (+8.1)
FT-A long gilt yield index: High coupon 10.29 (10.25)
New York lunchtime: DJ Ind Av 1,183.19 (+14.35)
Tokyo: Nikkei Dow 11,419.1 (+79.05)

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Murray Johnson 9
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For London market and latest share index: 01-246 8120; overseas markets, 01-246 8086.

Hanson bids £151.3m for Powell Duffryn

HANSON TRUST, the diversified industrial holding company, yesterday offered £151.3m for Powell Duffryn—its third big takeover bid in 12 months.

Powell Duffryn, which has interests in marine pumps, shipping and fuel and bulk liquid distribution, immediately rejected the approach as "unwelcome and clearly inadequate."

After a lengthy meeting with S. G. Warburton, the merchant banking advisers, the Powell Duffryn board strongly advised shareholders to take no action.

Shares in Powell Duffryn rose 15p on Thursday and Hanson Trust said that was why it had acted swiftly. The increase, the bidder said, was "not substantiated by any relevant progress in the company."

Lord Hanson, chairman of Hanson Trust, said: "I believe Powell Duffryn's activities will integrate well with those of Hanson Trust."

The offer comprises four Hanson shares, unchanged yesterday at 289p, for every three shares in Powell Duffryn. The Hanson shares climbed a further 80p yesterday to 420p against the bid price of 385.3p per share.

Hanson first acquired a stake in Powell Duffryn in July 1983, but it waited another eight months before disclosing a 4.55 per cent holding. That interest has been reduced and stands at 3.69 per cent.

Powell Duffryn's profits have been affected this year by the miners' dispute, which, it calculates, cost Stephenson Clarke, the short haul coal shipping subsidiary, about £2m. That meant that interim profits in the half year to September 30 fell by 11 per cent to £6.05m.

A year ago, almost to the day, Hanson unveiled a contested bid for London Brick which, after two revisions, was secured finally last February for £247m.

In May, Hanson paid the equivalent of £35m for U.S. industries, a North American conglomerate with interests in industrial and building pro-

Continued on Back Page
Background, Page 3; Lex, Back Page

Deadlock endangers U.S. spending cuts

A DEADLOCK over defence spending has raised a question mark over President Ronald Reagan's strategy of seeking to reduce the 1986 federal Budget deficit through a draconian \$22bn (£3.5bn) programme of spending cuts.

Administration officials conceded yesterday that in the face of stubborn resistance by Mr Caspar Weinberger, Defence Secretary, backed by other Administration officials, to the President's budget planning group had been unable to reach agreement on an overall budget strategy.

It is now suggested that the President may have to ask Congress for more time to prepare and present his budget plans to Congress next year.

It was reported earlier this week that Mr Weinberger had accepted in principle a \$4.5bn reduction in defence outlays for 1986. Now, it is being suggested that the cuts envisaged by Mr Weinberger were, in one official's words, derisory, and involved complex juggling of spending from one year to another.

The gap between what Mr Weinberger offered and what Mr David Stockman, the director of the Office of Management and Budget, urged is being presented now as immense.

According to Reagan administration officials, Mr Stockman has been calling for a three-year programme of reductions in

defence spending authorisation of about \$120m, and Mr Weinberger has been offering reductions of only \$18m.

Budget accounting difficulties between Congress and the actual cash payments or outlays made by particular departments in given year.

The deadlock within the Administration on defence spending will have to be resolved by President Reagan. But it is widely accepted that if the Administration does not propose a budget-cutting plan with a significant defence spending component in it, Congress which has to formulate its budget decisions, will refuse once again next year to approve the President's budget as a blueprint for its 1986 budget plan.

The Pentagon is reported to be arguing that to propose major moves to trim defence spending now, ahead of a forthcoming arms negotiation with the Soviet Union, would weaken the U.S. bargaining position.

The President's position remains unclear, but some officials say that there are signs that he is sympathetic to the Pentagon's view. If it is argued, it will tend to weaken the willingness of other cabinet departments to accept spending reductions.

U.S. industrial output rises Page 2

BAT set to buy Hambro

BAT Industries, the diversified tobaccoist, is expected imminently, probably this morning, to announce an agreed offer for Hambro Life Assurance, Britain's largest linked life company.

Talks, which continued well into yesterday evening, were believed to centre on an offer price of around 550p a share, which would value Hambro Life at about £670m.

She dealing in Hambro Life was suspended on Thursday afternoon, following a sharp rise in the company's share price. At the suspension, the shares stood at 498p.

It is understood that the financial services giant Charterhouse J. Rothschild, largest shareholder in Hambro Life, will sell its 24.8 per cent stake in BAT Industries.

This stake was acquired earlier this year from a merchant banking group Hambro before an abortive attempt to merge with Hambro Life. A price of 550p a share would give it a profit of some £40 on the deal.

The other major shareholder with 10.2 per cent of equity, Guardian Royal Exchange Assurance, has been aware of the expected offer, but has not been involved in talks on the probable bid.

A NEW INTERNATIONAL NAME. THE SAME EXPERTISE WORLDWIDE.

On January 1st, 1985 a new name goes up over the door of many bank buildings throughout Africa, Asia and the Middle East.

On that day, The Standard Bank and The Chartered Bank formally adopt the name of their parent group—Standard Chartered.

The new name over the door simply underlines the fact that Standard Chartered gives you immediate access to one of the largest integrated branch networks in the world—over 2,000 branches, in more than 60 countries.

And it's intended to serve as a reminder that dealing with Standard Chartered offers international customers some very tangible benefits—including faster and more efficient cash transmission, more competitive currency dealing on a 24-hour-a-day basis, and a knowledge of world markets, contacts and opportunities based on nearly 130 years of specialisation in international trade.

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Because we know that having a new name is not enough, unless we earn one as well.

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Gorbachev begins visit to Britain today

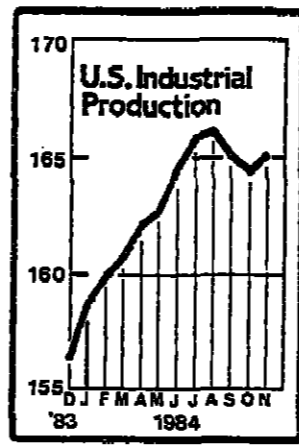
By David Buchan, East Europe Correspondent. MR MIKHAIL GORBACHEV, the presumed number two in the Soviet leadership, arrives in Britain today...

U.S. industrial output rises 0.4%

BY STEWART FLEMING IN WASHINGTON

INDUSTRIAL production in the U.S. bounced back in November after a two-month slump, raising hopes of at least a modest recovery in economic growth in the fourth quarter...

tail sales last month rebounded more strongly than expected and earlier in the month the Government reported a decline in unemployment...



Fed's policy-making open market committee meets again next week.

Israel's inflation rate eases slightly

ISRAEL'S hyper-inflation rate eased slightly last month, but the Government's wage and price freeze has not yet made a dramatic impact...

Massive security as Bhopal prepares Carbide start-up

BY JOHN ELLIOTT IN NEW DELHI

THREE RUSSIAN helicopters lifted with special water tanks will hover 200 ft above Union Carbide's pesticides factory in Bhopal tomorrow morning...

Nato supports Shultz arms control stance

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN BRUSSELS

MR GEORGE SHULTZ, the U.S. Secretary of State, yesterday won the full backing of America's Nato allies for his talks with Mr Andrei Gromyko, his Soviet opposite number...

Mr Shultz drew particular satisfaction from the fact that in spite of the known Belgian and Dutch and Belgian governments about the deployment of Pershing 2 and cruise missiles...

West Germany's Bundestag yesterday stripped Count Otto Lamsdorff, the former FDP Economics Minister, of his parliamentary immunity to clear the way for prosecutors to bring tax evasion charges against him...

The Vietnamese Government began yesterday the trial of 21 Vietnamese, some of them former South Vietnamese officers, accused of plotting to overthrow the Communist regime through espionage, sabotage and armed activities...

Prague embassy refugees start hunger strike

BY LESLIE COLLITT IN BERLIN

SOME 40 of the 70 East Germans who have been in the West German embassy in Prague for the past three months began a hunger strike yesterday to try to force East Germany to grant them exit permits for the West...

Cyprus President agrees to summit in January

BY ANDRIANA IERODIACONOU IN ATHENS

PRESIDENT Spyros Kyprianou of Cyprus has agreed to the January 17 summit meeting with Mr Raouf Denktash, the Turkish Cypriot leader, to discuss a Cyprus settlement...

Senegal aid agreed. Industrialised countries tentatively agreed yesterday to support Senegal's economic recovery programme with \$500m in aid next year...

Swiss motorway tax next month. BRITAIN'S motoring organisations reminded drivers yesterday that from January 1, a tax of SwF 90 (about £10) will be paid on cars travelling on Switzerland's motorway network...

Several EEC states may defy milk levy scheme

BY ANDREW GOWERS

BRITAIN and several other EEC member states look set to defy Common Market law today as the deadline passes for collection of the super-levy on excess milk production from farmers...

Large advertisement for Sony televisions with the headline 'If you don't own a single share you can still afford a complete set.'

Advertisement for Sony televisions showing two models with prices £299.95 and £399.95.

Bank creditors agree to loans sought by Manila

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES' foreign commercial creditors have agreed to extend at least 92 per cent of the \$925m (£775m) the Government is requesting in new loans...

Armed insurgents attack Philippine palm oil plant

BY OUR MANILA CORRESPONDENT

THE PHILIPPINES' first palm oil estate, jointly owned by the Government and the Malaysian based Guthrie, was raided by armed attackers last Monday, damaging the crushing mill and forcing a shutdown...

Cannabis crop gives Belize trade a lift

BY DAVID GARDNER IN MEXICO CITY

DURING THE American Civil War, the Union's consul in British Honduras spent a good deal of time keeping tabs on the arms traffic from Britain's Central American colony to the Confederates...

GDP last year was \$154m. All the figures are, at best, notional. In sparsely-populated, lightly-polluted Belize, the total area under cultivation is anybody's guess...

Handwritten text at the bottom of the page, possibly a signature or note.

The Third Automated Manufacturing Conference

- Challenge for Management

Hotel Inter-Continental, London
20 & 21 February 1985

This conference is designed for directors and managers of manufacturing organisations who are having to examine proposals for automation. It is divided into sessions dealing with particular sectors of manufacturing automation, such as design, machining, materials handling, fabrication, etc. Each session will begin with an address by an expert on the state of the art in that sector, to be followed by two case studies presented by users.

Programme

Automating Product Design

AN OVERVIEW OF COMPUTER AIDED DESIGN (CAD) TECHNOLOGY

What can it deliver? How advanced and cost effective are the systems for testing parts designed on CAD? How efficient are the routines for converting CAD designs directly into machined parts?

Mr Mike Sutton
Industrial Applications Marketing Group Manager
IBM United Kingdom Limited
Case Studies: Austin Rover Group
Bressey Radar

Automated Machining

Cells, or islands of automation, are now fairly common and a few more elaborate flexible manufacturing systems (FMS) are operating. Functions such as tool setting and parts inspection are being successfully integrated. Control is increasingly flexible. Improved sensing technologies are being introduced and new cutting techniques.

Mr Fred C Wilson
President
Special Machine Group
The Ingersoll Milling Machine Company,
Rockford, Illinois.
Case Studies: Rolls Royce
Brown Boveri

Automated Materials Handling

STORAGE AND RETRIEVAL SYSTEMS FOR RAW MATERIALS
Work-in-progress and finished products are becoming more flexible, using automated guided vehicles and overall computer control.

Mr Sergio Sereni
Vice General Director
FATA European Group SpA
Case Study: Perkins Engines Group

Fabrication and Assembly

The use of robots in spot welding is firmly established, but is developing more slowly for seam welding and for pick and place functions, notably because of the complexity of control requirements. Advances in sensing technologies are vital to automating fabrication and assembly.

Mr George T Rehfeldt
Group Vice-President
Industrial Specialty Products
Cincinnati Milacron Limited
Case Studies: Deere & Company
Fiat Auto SpA

Closing Address

THE POTENTIAL OF COMPUTER INTEGRATED MANUFACTURING (CIM) - HOW SHOULD MANAGERS BE PREPARING FOR IT?

Mr C R Whitney
Chairman of the Board and Chief Executive Officer
Allen-Bradley Company, Milwaukee

The Third Automated Manufacturing Conference - Challenges for Management

To: Financial Times, Conference Organisation,
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Powering ahead of competition

IT IS a little unusual to hear it from a Japanese executive of 75, but Mr K. Morita, managing director of Yuasa Battery UK, makes no bones about his ambition for the company. "Our strategy is quite simple—to beat our own Japanese competitors."

Since arriving three years ago, to establish Yuasa's European manufacturing plant in Ebbw Vale, South Wales, Mr Morita has become involved with the industrial aspirations of a Welsh valley's community seeking to rebuild a more secure economic base in the wake of major steel redundancies.

He says that he can also better appreciate European attitudes to Japanese industrial competition. But as far as Yuasa Battery UK is concerned, he is determined to win.

This ambition is proving to be no pipedream. Since October 1982, when the Ebbw Vale facility went into production assembling 5,000 batteries a month for the European market, output has risen by leaps and bounds to its present level of about 90,000 units a month from two production lines.

The company is secretly established as an almost wholly integrated manufacturing operation, with 85 per cent of materials sourced from UK sources. Mr Morita says productivity in some successive areas of the Ebbw Vale plant has moved ahead of Yuasa's Japanese parent factory, though it has still to reach the latter's overall average performance.

become a rapidly expanding demand for the company's range of new generation, sealed lead-acid batteries.

The traditional outlet for the company's product has been in fire and burglar alarms. The battery is so designed that the gases normally given off by the lead-acid reaction are re-absorbed. It does not need additional water during its five year guaranteed life.

Being a sealed battery, it combines the advantages of the dry cell power unit—easy handling and acceptability in most environments—with the long life and rechargability of the traditional lead-acid battery. As such, it is being used in an increasing range of applications in computers, communications and medical and portable equipment fields.

According to Mr Colin Harrison, managing director of Yuasa's UK sales company based at Swindon, the British market for sealed lead-acid batteries is growing at about 20 per cent a year and Yuasa, he claims, has captured a share approaching 50 per cent.

At the same time, some 55 per cent of Ebbw Vale's output is being exported to the Continent, where Yuasa claims to have a 20 per cent market share.

Moreover, the competition with Yuasa Japan is by no means confined to manufacturing. Ebbw Vale is particularly pleased to have recently succeeded some of Yuasa's leading Italian customers to switch to buying the Welsh product in preference to importing from Japan.

Robin Reeves on a Japanese battery maker's success in South Wales

Tube fire costs may reach £2m

REOPENING THE Victoria and Albert Museum's platforms at Oxford Circus underground station following last month's fire could cost between £1m and £2m, Mrs Lynda Chalkey, Transport Minister of State said yesterday.

London Regional Transport was not yet able to give a firm estimate of the repair costs, she said in a Commons written reply.

Judgment on GLC claim reserved

THE GLC must wait until the new year for the outcome of its High Court case against a demand from the Department of Transport for more than £281m towards running London's public transport.

The GLC claims the demand is unlawful and exceeds the powers of Mr Nicholas Ridley, the Transport Secretary. Mr Justice McNeill has reserved his judgment and is expected to give his decision in January.

Steel monthly output at 316,800 tonnes

STEEL OUTPUT in Britain averaged 316,800 tonnes a week in November, compared with 318,500 tonnes in October, and was 3 per cent higher than in November 1983.

In the first 11 months of 1984, production averaged 294,800 tonnes a week, 1 per cent above the 291,900 tonnes in the same period last year, according to the British Steel Corporation and the British Independent Steel Producers' Association.

Latest posting date for Christmas

THE Post Office yesterday reminded customers that Monday December 17 is the latest recommended date for posting inland parcels and second class letters and cards to arrive in time for Christmas. First class items should be posted by Wednesday, December 19.

Duty-free shop for Luton Airport

LUTON AIRPORT, Britain's largest airport for charter flights is to have a duty-free shop. Luton council has approved a £500,000 shop and work should be completed by the summer.

Tarmac consolidates its block making

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

TARMAC has launched a new block-making company—Topblock—to consolidate its existing concrete block manufacturing activities into a single national organisation.

The move is part of Tarmac's policy of expanding into manufacturing value added products to complement its basic sand, gravel and stone quarrying business.

Tarmac has invested £30m in setting up Topblock, which will start trading on January 1. The company will bring together all Tarmac's block-making interests, including its two main acquisitions last year, Hemellets and Lismacite.

Topblock has 19 block-making works, producing 7m square metres of blocks a year—about 10 per cent of the £300m a year UK concrete block market.

It is planned to invest a further £30m over the next three years to increase output to 15m square metres of blocks a year and increase its market share to between 20 and 25 per cent of the UK market.

"We want to become a national company with works no more than 40 miles from anywhere," said Eddie Dore, Topblock sales director.

The company aimed to fill gaps where its block manufacturing was weak by adding works in East Anglia, South Wales, the areas north of Gloucester and north of Sheffield, and in Scotland.

That would be achieved by a combination of acquisition—Topblock was looking for small block makers to buy—and by setting up block-making plants

on greenfield sites. The company's planned expansion would produce between 500 and 600 extra jobs on top of acquisitions," said Mr Dore.

It helped to increase its block sales, even though it was tied to a housebuilding cycle in which the number of new houses started was declining, increasing market share and by promoting new products such as its Unitherm insulated block and patented strengthened foundation blocks, which competed with traditional building methods.

It also wanted to enter new sectors of the block market. Topblock does not make the aerated concrete blocks which account for 30 per cent of the UK market, but it is investigating the possibility of entering that sector by acquiring

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INVESTORS CHRONICLE

Right on the money.

Justice 1250

Vosper directors intend to mount bid for yard

By Ian Rodger

THE DIRECTORS of Vosper Thornycroft have joined the bandwagon of British Shipbuilders' workshop yard managers wanting to buy their yards.

They said yesterday they intended to mount a bid to purchase the company, one of seven BS warship yards scheduled to be privatised in the next 18 months.

Earlier this week the managers of Yarrow Shipbuilders on the Clyde and Hall Russell at Aberdeen said they were attempting to mount a combined employee buyout. Last month the directors of Swan Hunter on Tyne indicated they would like to make a bid for their yard.

Serious negotiations are already under way with the managers of Brooke Marine, based

at Lowestoft and the smallest of the workshop yards with a view to a buyout.

It remains to be seen if the managements at the two remaining yards, iVekers at Barrow and Cammell Laird on Merseyside, make bids.

Vickers is by far the largest of the seven yards with turnover last year of £277m. It is also heavily involved in the controversial Trident nuclear programme. As for Cammell Laird, its future has been put in doubt by the goodwill lost during a sit-in this year that delayed delivery of two vessels.

The Vosper directors gave no details of their proposed bid, but indicated that it would not, at the outset, involve employees. "It is expected that in the

event of a successful bid, the directors would wish subsequently to widen employee participation to all who wish to become involved," they said.

It is not yet possible for them to make a formal bid because, as in the case of Swan Hunter, BS has not yet published a prospectus detailing the company's latest financial position and prospects. Vosper's turnover in the year to March 31, 1984 was £81m and it had a trading profit of £2.7m. Net assets at March 31, 1983 stood at £25.4m. It recently announced 750 redundancies among its 4,000-strong workforce.

Vosper has yards at Portchester and Woodston near Southampton and makes frigates, minesweepers, patrol boats and ferries.

BMA stands by drugs bill letter

By Lisa Wood

THE British Medical Association yesterday declined a request by Mr Kenneth Clarke, the Health Minister, to withdraw a letter it sent to doctors concerning Government proposals to cut the National Health Service drugs bill.

On Thursday, Mr Clarke expressed concern at the "misleading way" the BMA had represented his proposals, on limiting the number of medicines, including brand-named drugs, available through the NHS. The proposals are designed to save £100m on the £4.8bn annual NHS drugs bill.

The BMA said yesterday: "We are not going to withdraw the letter and doctors have not been misled."

The association said a letter sent to doctors yesterday by Dr Donald Acheson, chief medical officer at the Department of Health, explaining the details of the Government's proposals, had not affected its decision not to withdraw the letter.

Dr Acheson's letter said that "some misunderstandings have already arisen" over the Government's proposals.

The provisional list of drugs to be retained for NHS prescription after April 1, 1985 was simply a basis for discussions with the professions and the pharmaceutical industry. The purpose was to establish a final list of effective generic drugs sufficient to meet all clinical needs.

Reassurances on the continuing availability of certain classes of medicines are given in the letter. It also points out that GPs will be able to prescribe medicines no longer available under the NHS through private prescriptions. In most cases, he said, preparations no longer available under the NHS could be obtained by the patient over the chemist's counter.

Motor after-sales concerns join forces to promote industry

By John Griffiths

NEARLY 130 smaller companies in the UK's vast but fragmented motor after-sales industry have joined forces to promote their sector.

The Impact group, made up of companies with a combined turnover approaching £200m, is to mount its first exhibition next month. It is aimed particularly at winning export business.

The group is also investigating the potential for shared cost-saving measures, such as the joint purchase of general supplies, printing, insurance and freight.

It started as an informal discussion forum among a handful of replacement parts and accessories manufacturers nearly four years ago. This year, it has grown swiftly as pressures on the industry overall have mounted.

With no growth expected in the UK or most European markets and margins compressed as the result of extremely fierce competition, the need for co-operation among smaller producers to cut costs and mount a cohesive attack on overseas markets has become considerable, according to Mr Peter Eva, the group's first chairman.

Impact sees overseas markets as the only growth area in the foreseeable future.

The group excludes the large participants in the after-sales market such as BL's Unipart, which has a turnover of about £350m.

Most of the business of companies like Unipart and GKN involved the supply of original equipment to vehicle manufacturers in contrast to the smaller companies who were concerned mainly with the do-it-yourself,

retail after-sales market, Mr Eva said.

Excluding the majors, the Impact group now included about 80 per cent of companies operating in the after sales market measured by turnover.

The estimate, however, was imprecise, with hundreds of small companies remaining outside the group's net.

Even the Monopolies and Mergers Commission, investigating the replacement parts business two years ago, was unable to come up with a precise definition of its size.

It concluded that there could be up to 2,000 companies in the parts and accessories sector, with total UK sales in 1981 of about £2bn. But the majority of this market is accounted for by original equipment suppliers and it was unable to identify the precise share taken by after-sales.

AA urges company car crash log

By Kenneth Gooding, Motor Industry Correspondent

THE HEALTH and Safety Executive should make it compulsory for organisations to log accidents involving company car drivers as is the case for other forms of accident at the workplace, the Automobile Association says.

Company car drivers are at least one third more likely to make an insurance claim than the average domestic driver, but that could be changed if more training was given, it says.

According to the associations magazine, Drive, Motor Industry Research Bureau statistics show that the average owner-driver covering 3,500 miles a year makes an insurance claim every six years; company-plus-pleasure drivers covering 20,000 miles claim once every 4 1/2 years; and commercial drivers covering 30,000 miles claim once every three years.

The association quotes the Royal Society for the Prevention of Accidents as stating that a company with a fleet of 30 vehicles would have to find about £4,000 initially for in-vehicle training, a defensive driving course and a national safe-driving award scheme for all drivers.

Over three years, the cost of the scheme would be £5,200, but the company should be able to make gross savings of more than £64,000 during that time.

The Conoco oil group has halved the accident rate among its drivers by putting them through RoSPA and Institute of Advanced Motorists' courses.

The cost was 78p a week per driver or a total of £19,225 a year for all the drivers and the company calculated that it had saved £1m in 10 years.

Short list for phone networks

By Jason Crisp

INTERNATIONAL competition to supply Britain with advanced digital exchanges for new telecommunications networks has increased due to decisions by Mercury and British Telecom.

Mercury, which is building a telephone network to compete with British Telecom, has short listed suppliers to provide its first exchanges. They are: Thorn-Ericsson, a joint-venture between Thorn EMI and LM Ericsson of Sweden; Stangard Telephones and Cables, Northern Telecom; and Italcum, an Italian consortium including Italtel and GTE.

British Telecom has short-listed three companies for network to provide special services such as a dialled version of Freefone, similar to the U.S. System 800. It has chosen the same three companies it recently shortlisted to supply a second system for the main telephone network - Northern Telecom, Thorn Ericsson and AT & T Philips.

Lords bars Barratt's tax relief claim on homes

By Raymond Hughes, Law Courts Correspondent

THE HOUSE of Lords has barred a claim by Barratt Developments (Luton) for tax relief on customers' homes accepted as part-payment for Barratt houses.

Five Law Lords unanimously allowed an Inland Revenue appeal against High Court and tax commissioners' rulings in favour of the company.

Lord Keith of Kinkel said Barratt had found that potential buyers often had difficulty selling their homes to raise the money to buy from Barratt.

The company therefore started to accept customers' properties in satisfaction (or part satisfaction) of the purchase price. These properties were sold in their existing condition as soon as possible.

In June 1979, Barratt claimed

stock relief on five such properties under the 1976 Finance Act. This entitles a company to corporation tax relief where the value of its trading stock at the end of an accounting period exceeds its value at the beginning of the period.

Trading stock was defined as "property... sold in the ordinary course of the trade" except for "land, other than such as is ordinarily sold in the course of the trade... after being developed by the person carrying on the trade."

The Law Lords accepted the Inland Revenue's argument that, although the properties fell within the first part of the definition, they were excluded by the second, since they were not land sold after being developed by Barratt.

Nissan job for ex-Ford manager

By Our Motor Industry Correspondent

NISSAN has filled another top position at its UK assembly plant with the appointment of a former Ford of Europe executive as director of purchasing and production control.

He is Mr Ian Gibson, 37, whose responsibilities will include procuring European parts and components for the 24,000 Japanese cars a year which Nissan will assemble at its plant coming on stream next year at Washington, Tyne and Wear.

This will become a more important part of his work if Nissan decides to move to a second stage and produce 100,000 cars a year with a European content of 80 per cent, moving quickly to 90 per cent manufacturing posts with Ford.

Mr Gibson held personnel and

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Attack on 'Costa del Dole'

By Ivor Owen

LANDLORDS in seaside resorts who have sought to profit from attracting homeless young people whose accommodation is paid for by the taxpayer were condemned by Mr Ray Whitney, Under-Secretary for Social Security, in the Commons yesterday.

He referred to an advertisement which said: "On the DRSS, living in poor conditions? Why not live by the seat at Margate?"

Mr Whitney said the Government was determined to end such practices as part of its

drive to cut expenditure arising from young people, mostly under the age of 25, who chose to enter the homeless category in order to live on what had become known as the "Costa del Dole."

Mr Michael Meacher, Labour's social services spokesman attacked the proposed restrictions, due to come into force in April and expected to save £70m a year.

He said they would increase homelessness, divide families, and worsen the living conditions of some of the poorest, most vulnerable members of society.

Economic policy criticised

By Robin Reeves

A BITTER ATTACK on the Government's economic policies was delivered by Mr Ivor Richard, the outgoing EEC social affairs Commissioner, in a valedictory speech in Cardiff yesterday.

Accusing the Government of ignoring the practical consequences of its eager pursuit of a dubious free market ideology,

Mr Richard warned: "If present policies are continued, unemployment will continue to rise in the UK and Mrs Thatcher will turn places like Wales into an economic and employment wilderness."

It was "absurd," he said, for Mr Nigel Lawson, the Chancellor, to claim that the Government had no role to play in reducing unemployment.

ECONOMIC DIARY

TODAY: Mr Mikhail Gorbachev, senior Soviet Politburo member, starts UK visit (to December 22).

TOMORROW: Mr Gorbachev meets Mrs Margaret Thatcher at Chequers. Department for National Savings monthly progress report for November.

MONDAY: Mrs Thatcher leaves for visit to China and Hong Kong (to December 23). Mr Gorbachev meets Sir Geoffrey Howe, Foreign Secretary. World Environment summit, Lancaster House. EEC Foreign Ministers start two-day meeting, Brussels. November cyclical indicators for the UK economy. CBI monthly trends survey for December. EEC Industry/Steel Council meets, Brussels.

TUESDAY: EEC Internal Market Council meets, Brussels. OPEC market monitoring committee meets, Geneva. Local authorities

manual workers pay talks (employers reply to claim). Viscount Whitelaw speaks at American Chamber of Commerce lunch, London. Public sector borrowing requirement for November.

WEDNESDAY: House of Commons Trade and Industry report on wealth of waste published. EEC Research Council meets, Brussels. Mrs Thatcher signs Hong Kong agreement with China in Peking. OPEC Oil Ministers conference, Geneva. October provisional average earnings indices; employment hours and unit wage costs. New construction orders for October.

THURSDAY: Distillers Group interim results. Nottinghamshire NUM area council votes on moves to divorce from Union's national executive. Third quarter provisional figures for gross domestic product. CBI/FTF survey of distributive trades. UK bank assets and liabilities and the money stock for mid-November. London sterling certificates of deposit (November). Third quarter figures for UK banking sector statistics; financing of the central government borrowing requirement; and the money stock.

FRIDAY: OECD world economic outlook published, Paris. House of Commons recess (to January 9). Balance of payments current account and overseas trade figures for November. Sales and orders in the engineering industries in September.

IT IS TYPICALLY BRITISH TO SET UP A COMPETITION FOR A NEW BASIC TRAINER FOR THE ROYAL AIR FORCE IN WHICH FOREIGN MANUFACTURERS ARE INVITED TO COMPETE WITH AN EXCELLENT HOME PRODUCED AIRCRAFT.

INTERAVIA (SWISS AEROSPACE MAGAZINE) MAY 1984

OBVIOUSLY WE MUST NOT LOSE SIGHT OF THE PRIMARY OBJECTIVE WHICH IS TO SECURE THE MOST COST-EFFECTIVE TRAINER TO MEET ITS NEEDS OVER THE NEXT TWO OR THREE DECADES.

MR JOHN LEE, PARLIAMENTARY UNDER-SECRETARY OF STATE FOR DEFENCE PROCUREMENT, HOUSE OF COMMONS, 4th JULY 1984.

I AM IN NO DOUBT THAT TURBO FIRECRACKER IS THE MOST SUITABLE ON GROUNDS OF HANDLING CHARACTERISTICS, PRICE AND THE FACT THAT IT IS A HOME DESIGN WAITING TO PROVIDE JOBS IN THE UK.

ALAN BRAMSON, PILOT MAGAZINE, JUNE 1984.

WHEN IT COMES TO A CHOICE BETWEEN BRITISH AND FOREIGN PURCHASE, OUR POLICY IS TO BUY BRITISH WHEREVER IT IS GOOD SENSE, ECONOMIC AND CONSISTENT WITH OUR INTERNATIONAL OBLIGATIONS TO DO SO.

MR GEOFFREY PATTIE, MINISTER OF STATE FOR DEFENCE PROCUREMENT, HOUSE OF COMMONS, 2nd FEBRUARY 1984.

WE HAVE IN BRITAIN A COMPANY WHICH HAS DESIGNED AND BUILT AN AIRCRAFT WITH PRIVATE MONEY, WHICH MEETS THE RAF'S ESSENTIAL SPECIFICATION. IT IS CHEAPER THAN THE FOREIGN COMPETITION AND CAN DEMONSTRATE THE CREATION OF JOBS AND A LARGE POTENTIAL EXPORT MARKET. IT HAS FIRM INDUSTRIAL BACKING AND EXPERTISE TO SUPPORT THE RAF FOR A 25-YEAR IN-SERVICE PERIOD.

MR KEITH BEST MP, HOUSE OF COMMONS, 4th JULY 1984.

THE IMPORTANCE OF THE AEROSPACE INDUSTRY TO THE BRITISH ECONOMY CANNOT BE OVER ESTIMATED. INDEED, IF WE HAD TO PRODUCE AN IDEAL EXAMPLE OF AN INDUSTRY WITH HIGH VALUE ADDED EXPORT PRODUCTS, WE NEED LOOK NO FURTHER THAN AEROSPACE.

THE PRIME MINISTER, MRS MARGARET THATCHER, SEPTEMBER 1980.

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Union members at GCHQ 'pressured' on pay talks

BY DAVID BRINDLE, LABOUR STAFF

DISCLOSURE of the involvement of trade union members in pay negotiations at Government Communications Headquarters at Cheltenham has prompted a crackdown by the management, according to union leaders.

Of the three trade unionists elected to a five-strong pay committee in defiance of the GCHQ union ban, one has stepped down and the two others have given assurances that they will resign from the Civil Service Union.

Union leaders maintain that the three men were subjected to strong pressure by managers at the GCHQ signals and intelligence gathering centre after the union role was made public in press reports earlier this week.

Mr John Sheldon, general secretary of the CSU, said last night: "The management have acted like bullies by putting pressure on union members who were elected because they were

the best and most experienced people to do the job."

The involvement of the union members in negotiating a pay claim for about 150 communications and cypher officers was first reported on Wednesday after Treasury officials had apparently agreed to an initial meeting on the claim.

The five-member pay committee was elected by the 150 officers at Cheltenham and certain outstations in the vacuum created by the union ban. The staff association envisaged by the Government has yet to get off the ground.

Union leaders say that the member who withdrew from the committee after being summoned to meet managers on Wednesday had topped the poll in the election with 89 per cent of all votes cast.

The GCHQ management said yesterday that the individual was one of those seeking a transfer to another Civil Service

post. He had withdrawn from the pay team, "so any further progress on talks should not be jeopardised."

There was no reason why the pay talks should not continue with the remaining four staff and one replacement, the management said, as they had all given assurances since Wednesday that they "would not be in breach of any undertakings that they have given."

This reference is taken to mean that the other two union members, who had left the CSU because of the ban and then rejoined, have said they will resign again in order to stay on the pay team.

Mr Sheldon said the episode indicated that the GCHQ management was "panicking." Being unable to prevent staff still looking to union activists for leadership, it was resorting to unfair coercion, which was another damaging morale and security at GCHQ.

'Divide and conquer' tactic adopted

By Our Law Courts Correspondent

WORKING MINERS trying to make the members of the National Union of Mineworkers' national executive personally liable for the union's £200,000 contempt of court fine, are adopting a "divide and conquer" tactic.

The High Court was told yesterday that no temporary orders would be sought against four moderates on the national executive committee — although for the moment, at least, they are still being held liable to pay all or part of the fine.

It is understood that the working miners' solicitors have written to Seifert Sedley, representing the bulk of the executive, suggesting that the interests of all of Seifert Sedley's clients may not be the same and that it might be proper for some to be separately represented.

Soon after the action was started last month it was learned that four executive members — Mr Trevor Bell, general secretary of the white collar branch, Cosa, Mr Ken Toon (South Derbyshire), Mr Jack Jones (Leicestershire) and Mr Ted McKay (North Wales) had each decided to instruct solicitors themselves.

Mr David Oliver, counsel for Mr Colin Clarke and the 15 other working miners bringing the case, told Mr Justice Scott yesterday that an application for a temporary order stopping the executive doing anything that might bring the union into further contempt would not be pursued against Mr Bell, Mr Toon, Mr Jones and Mr McKay.

That was because of assurances the four had given in their evidence, and in the light of the fact that, contrary to what had been said at the time, an NEC statement on October 1 that the strike was official, had not had the unanimous backing of the executive members.

The case will resume next Wednesday.

A fresh election to choose the power group's representative on the NUM executive is to be held in the next month, the High Court was told yesterday.

The group's undertaking to hold an election by January 15 was part of an agreement that ended legal action by Mr Terence Carr, the unsuccessful candidate in an election to replace Mr Roy Otley, the power group's previous NEC member, who recently resigned in protest about the way the strike was being conducted.

Raymond Hughes on the ruling over action against three NUM leaders

The hard case which could make a good law

A HIGH COURT judge yesterday refused to make an immediate order that three leaders of the Derbyshire area of the National Union of Mineworkers personally repay £1.7m of area funds spent on the strike.

Although the strike payments were an unlawful misapplication of union funds, the three leaders — Mr Austen Fairrest, the president, Mr Gordon Butler, the secretary, and Mr John Burroughs, the treasurer, had honestly believed they had the power to make them, said Mr Justice Vinelott.

Enforcement of an immediate order against the three might "make it all the more difficult to heal the wounds which will have to be healed when this dispute is over."

However, in the most important judgment so far given in the mining dispute, the judge made a number of legal rulings in favour of the two Derbyshire miners who have sued the area union, which will have wide ramifications in the dispute and the court cases it has provoked.

The judge rejected a claim by Mr Roland Taylor and Mr David Roberts for immediate orders against the three area officers for repayment of £1,736,789 spent on the area strike.

The three officers may yet be ordered to repay the money when the full trial of the action comes before the court, sometime next year.

In the meantime, they remain bound by undertakings they gave to the court earlier not to allow further area money to be spent on the strike. The area union is bound by an injunction in the same terms.

Mr Justice Vinelott said the strike in Derbyshire had been declared unofficial by Mr Justice Nicholls on September 29. Mr Taylor and Mr Roberts argued that it was therefore, unlawful to spend union funds on the strike.

The judge said that any member was legally entitled to insist that union funds be used exclusively to further the union's constitutional objects, and to sue to stop the union acting beyond its lawful powers.

The question was: were the payments a misapplication of the Derbyshire funds?

As the union's rules expressly allowed payments to be made for picketing and the strike, it could not consistently be claimed that such payments could be made in an unofficial strike.

It followed that:

- The payments were beyond the union's power.
- Mr Butler and Mr Burroughs who sanctioned the payments, were personally liable to reimburse the union.
- Mr Taylor and Mr Roberts, whose legal right to sue had been challenged by the union,

were entitled to maintain their action.

• The misapplication of the funds could not be ratified by any majority of the members, however large.

"Should I therefore make the order sought? I have come to the conclusion that I should not," the judge said.

Although the payments could not be ratified, it would be open to a majority of the members to resolve that no action be taken to remedy the wrong done to the union. Such a resolution, if made in good faith, would bind the minority.

There was an impressive body of evidence from the union designed to establish that the overwhelming majority of members approving the payments. It must follow that they would probably not approve proceedings to recover the money from the officers.

The Derbyshire circumstances were wholly unprecedented, the judge said. When a ballot was held, there was a narrow margin against a strike.

Nonetheless, when the NUM and the Derbyshire area called for a strike — in flagrant breach of union rules — 85 per cent of the members obeyed the call and, even now, over 80 per cent were on strike.

"I cannot speculate as to the reasons why members, having voted against a strike, obeyed an instruction to go on strike — in particular, whether their con-

duct is to be explained by loyalty to the national or Derbyshire leaders, or to the picketing and violence that has ensued."

It was not in dispute, the judge said, that the payments had been made in the honest belief that the area union had power to make them. There was no question of a conscious breach of rules.

"I do not feel that, in these wholly exceptional circumstances, it would be safe to rule out entirely the possibility that a majority of the members may in the future be able, properly and lawfully, to take the view that it would not be in the interests of the union that the officers should be made personally liable."

"I see no immediate advantage to the union in obtaining a judgment, and perhaps taking steps to bankrupt these defendants. It seems to me that there must be a risk that enforcement of such a judgment would make it all the more difficult to heal the wounds which will have to be healed when this dispute is over."

"It will be said that this is a case where hard cases make bad law. My reply is that it sometimes happens that hard cases make good law, because they compel a radical re-examination of principles which, rigidly applied, lead to a result which is widely felt to be unjust."

Computer strikers 'should settle'

BY DAVID BRINDLE, LABOUR STAFF

NATIONAL union leaders yesterday again declared that they would not intensify the social security computer strike and that their members should prepare for a negotiated settlement.

The executive of the Civil and Public Services Association voted 12-6, with 10 others absent or abstaining, to tell the 350 strikers at the Newcastle upon Tyne and Washington computer centres that escalation of the dispute was "neither feasible nor possible."

Mr Alistair Graham, the union's general secretary, will again travel to Newcastle on Monday with the executive's reiterated message that the strikers should accept terms similar to those agreed to by two smaller unions.

Local leaders of the strikers

will meet on Sunday night to shape their recommendation. They have defied the executive and urged continuation of the strike, and some of their members say they would be prepared to carry on even if dispute benefit was withdrawn by the union.

Mr Graham yesterday failed to persuade the executive to set the strikers a time limit for negotiating a settlement — a move which would have implied an eventual cut in benefit.

His proposal for this was rejected 12-14. The resolution which was passed, however, is more strongly worded than anything previously carried on the issue by the executive, calling for immediate negotiations on a settlement based on a return to work.

As this was passed with only

six votes against, the strikers were last night puzzling over what had happened to the votes of the remainder of the 13 executive members who are generally identified with Militant Tendency and with support for the dispute.

A third proposal, calling for escalation of the dispute into other Civil Service computer centres, was rejected by the executive. Both the strikers and their supporters at national level had argued that the only way to win the strike was to involve other members of the union.

The dispute, which started on May 12, is over shift payments at the Newcastle centre and has led to widespread disruption of pension and child benefit payments.

Framework for pit peace faces impasse

THE seven TUC leaders who went to meet Mr Peter Walker, the Energy Secretary yesterday, to propose fresh talks in the pit dispute got small change: they must have expected the central matter of importance, though, was deployment by the TUC of a "framework" for negotiating an end to the dispute.

John Lloyd on the outcome of TUC talks with the Government

Mr Norman Willis, the TUC general secretary, opened the 90-minute meeting — also attended by Mr Tom King, the Employment Secretary, who took part in the proceedings — by declaring that the "drift back" to work strategy had failed: the strike was remaining largely solid and would continue to be so; the striking miners had constructed a network of support which would sustain them.

The NUM, he said, had been told by Mr Ian MacGregor, the National Coal Board chairman, to concede in advance that they were willing to accept closures of uneconomic pits — but that was unreasonable. No negotiating partner was willing to concede in advance that the NUM needed reconciliation through negotiations; and while the Government and the NCB claimed the NUM were obstructive on the matter of no closures of uneconomic pits, the NUM took the reverse view — that the board and the Government were

equally determined they must close.

Mr Willis then sketched in the TUC "framework" — while emphasising that he was not negotiating for the NUM, nor presenting the miners' position. He proposed that the demand made by Mr MacGregor on March 6 that the NCB's capacity be cut by 4m tonnes, be withdrawn, since it was no longer relevant in face of lost production of more than 70m tonnes; similarly, the five pits marked for closure should be kept open. These matters could be agreed by both parties.

The core issue of uneconomic pits should be set aside; instead, miners should return to work on the explicit understanding that a revised Plan for Coal be negotiated between the mining unions, the board and the Government by a target date. Mr Willis did not spell out the details which would be the stuff of negotiation; but implicit in this is the assumption that these discussions would attempt to define closures, and the rate at which closures took place.

This proposal builds on the existing clause 4 of the draft agreement, on which both the

NCB and the NUM have submitted similar formulae. Clause 4 proposes discussions on a revised Plan for Coal in the version submitted by the NCB to the last round of talks at the Advisory Conciliation and Arbitration Service, the board proposed that discussions on the plan, "will seek to identify the basis for jointly establishing a developing and expanding coal industry equipped to meet future energy requirements."

The TUC proposal is a radical one: the NUM has not dissented from it (it was not asked to approve it), but it clearly holds some dangers for it, as well as for the board. If a return to work takes place on the basis of the framework agreement, the obvious danger is that the NUM leadership could not again hope for a strike from weary and impoverished members, in the event of talks on a revised plan going badly.

There is a much larger stumbling block before such questions are even raised. Mr Walker put it baldly to the TUC leaders in their meeting. Neither the Government nor the board believe that the NUM leadership — Mr Walker in-

sisted on personalising it on Mr Arthur Scargill, the NUM president — will shift on their refusal to countenance closure of uneconomic pits. Until they give some sign, the board will not talk.

The Energy Secretary told the union leaders that the offer to the miners was unparalleled in British industry; agreed with them that they both wished to see an expanding coal industry; stressed that no ballot had been held, that two of the three mining unions remained at work and that a third of the NUM members had not struck.

The core of his argument was, as he said later, that "the TUC had nothing to bring to this meeting in the way of suggesting a change in the NUM attitude."

Is the initiative dead? The TUC will meet the miners' leaders once again — probably on Monday, before the finance and general purposes committee meeting; it must put to them the impasse which now exists, and must probe again whether there exists any flexibility in the union's position. The TUC remains adamant that it is not in the job of putting an armlock on the NUM to make concessions; but if it does not, it is hard to see how the board believes that the NUM exists may be thawed.

Higher pay rises forecast for 1985

BY BRIAN GROOM, LABOUR STAFF

HIGHER PAY rises for 1985 are forecast by Industrial Relations Services, a research company. The level of settlements began to rise this year for the first time since 1980, and the company sees no clear sign that the trend will stop.

It says: "Against a background of rising profitability, signs of greater militancy on the shopfloor and the Government's assessment that, at best, it can only hope to hold its own pay deals to last year's levels, it would seem rash to conclude

that the upward drift has yet run its course."

In its Pay and Benefits Bulletin, to be published next week, the company warns of mounting industrial unrest. It foresees "widespread strike action in the public services next spring."

This seems at odds with the private views of public service union negotiators. Many believe that although there would be grounds for disputes because public sector pay rises are lagging behind the private sector,

few groups apart from teachers are likely to take action.

The bulletin says pay deals were grouped around a 5 per cent median level at the start of this year, but have moved up to 6 per cent during the second half.

An important factor is that in the private sector "company profits, after reaching record levels in 1983, are continuing to scale new peaks in 1984 and are set for further advances in 1985."

Civil Service union votes against aid to miners

MEMBERS of the Civil and Public Services Association, the largest Civil Service union, have voted by about 7:2 against giving further donations or loans to the miners' union, writes David Brindle.

The outcome of the ballot is doubly damaging to the miners' claims of rank and file support in other unions, because voting was conducted at special branch meetings, which are dominated by activists.

Leaders of the 182,000-strong CPSA opted to hold the national ballot after a previous donation by the national executive of £25,000 led to wide-

spread protests and several thousand resignations.

Proposals rejected in the ballot, which closed yesterday, were for an interest-free loan of £100,000 to the miners' union and monthly donations of £5,000. Full details of the voting are expected next week.

The CPSA is the second lead-

ing white-collar union to show widespread grass-roots opposition to cash donations to the miners. In October, a special conference of the National and Local Government Officers' Association demonstrated such disquiet that donations from Nalco at national level have ceased.

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Combined pay claim from 80,000 NHS members

BY OUR LABOUR STAFF

LEADERS of 80,000 white-collar workers in the National Health Service yesterday decided to submit a combined claim for pay increases this year covering both flat-rate and percentage rises.

A delegate conference in London of the National and Local Government Officers' Association approved a claim formulated by the union's national health committee for a flat rate increase of £8 a week, plus a percentage increase to take account of rises in both general earnings and inflation.

In addition, the claim will seek a restructuring of pay scales to take steps against what the union sees as low pay, a

reduction in working hours and improved annual leave.

Ms Ada Maddocks, Nalco's health services organising officer, said that the "chronic low pay" of Nalco members in the NHS — the union claims that two-thirds earn less than the TUC's current minimum wage target of £104 a week — was "morally and ethically indefensible."

About 200 Nalco nursery nurses employed by Bolton council returned to work yesterday, ending a strike of more than seven months.

The union said the nursery nurses had won a £8 a week rise, an additional lump sum payment of £345 each, and a promise of a continuing review.

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Handwritten signature: "John Lloyd"

THE WEEK IN THE MARKETS

It is really quite a party

He sat there moaning over a glass of festive champagne. A dealer at one of the large brokers, he was bored stiff with the flood of small shareholders selling batches of a few hundred shares in Telecom.

LONDON ONLOOKER

The group pitched the cash call alongside some good profits (at long last). Pre-tax profits in the half year, to September climbed by 72 per cent to £52.2m.

Indeed Pilkington even pinpoints the area where it wants to go shopping—the electro-optical industry in the U.S. This includes infra-red systems and night vision equipment for the defence industries.

Yet there has been a pretty hostile response in the City. The reason is that Pilkington's balance sheet hardly needs fresh equity and its past trading performance does not justify shareholders investing more money.

Pilkington's rights

Post Telecom the rights issue queue has awakened from its slumber. There has been a trickle of small cash calls throughout the last few days but one in particular stands out like a shining beacon.

Those shareholders who have stuck with Pilkington through the lean times do not deserve to be rewarded with a cash call which will almost certainly result in further earnings dilution.

ICI splashes out

ICI has clinched its biggest acquisition for more than a decade with the agreed purchase of the chemicals division of the U.S.-based Beatrice group for £630m in cash.

The acquisition was achieved

against some hot competition from other international chemicals groups which had been talking to Beatrice ever since the U.S. group hung a "For Sale" sign over the chemicals business earlier this year.

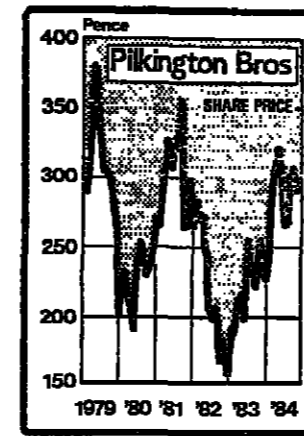
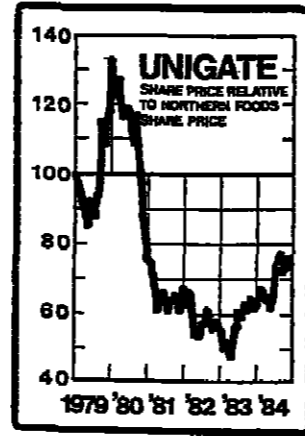
The purchase may be a major step for ICI but it is also part of a developing trend in recent years as the group lessens its dependence upon the UK market.

ICI's internal targets suggest an average growth rate for its latest addition in the region of 10 to 15 per cent at the earnings level, though in the good years it could be as high as 20 to 25 per cent.

Less bottle

It has not been a particularly auspicious summer for either Northern Foods or Unigate. Both companies reported their half year figures to the end of September this week.

In both cases the UK dairy divisions experienced lower profits. A large part of the problem was that both companies saw the price they pay to the Milk Marketing Board for liquid milk raised in March but the retail price increase delayed until the beginning of June.



Temptation and the Fed

THIS HAS been one of those weeks when the markets have let themselves slip back into that bad old habit of waiting for the money supply figures.

So when Thursday came along, the whole of Wall Street seemed to be hunched around a screen, waiting to see whether its number crunchers had got it right or not.

What actually emerged was a whopping \$7bn fall in M1, around \$5bn more than the consensus estimate that had emerged from the research departments.

Earlier in the week, bond traders had heard similar messages both from Dr Henry Kaufman, Salomon's chief economist, and Mr Donald Regan, Treasury Secretary.

The stock market has very roughly kept in step with the bond traders, moving up modestly at the beginning of the week, then losing faith in its direction later on.

NEW YORK TERRY DODSWORTH

probably not surprising that the market has not gone overboard to back the maverick Texan oil engineer, but the caution about Phillips also reflects a slight change in the takeover climate in the last few months.

The leveraged deals that were all a rage a year ago are now not quite so easy to arrange, partly because prices have been bid up, and partly because of years over the tax treatment of interest payments raised by the new Treasury tax overhaul proposals.

This new mood claimed at least a partial victim this week, when the group of investors which had been aiming to acquire NorthWest Industries and take it private, announced that it was having problems raising the cash.

Only 24 hours after this setback at Northwest, however, Sir James Goldsmith emerged yet again to surprise everyone with the first moves towards a bid that would almost certainly be highly leveraged if it ever came.

Both of these companies have recently adopted highly complex takeover defence mechanisms that are now being tested in the courts.

Monday 1172.26 +9.0 Tuesday 1178.33 +6.0 Wednesday 1175.13 -3.2 Thursday 1168.84 -6.7

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change on week, 1984 High, 1984 Low, and Market Commentary.

The lively ring of alarm bells

USM SECURITY companies are in the throes of a battle for supremacy in a fragmented industry which has already seen more than its fair share of takeovers on the full board.

Unlisted Securities Market logo.

the U.S. subsidiary of fully-listed Security Centres (Holdings), and Holmes operate networks of electrically monitored burglar alarms in the U.S.

The deal will mean considerable cost savings from running both companies' alarm networks through the same monitoring centres.

Tunstall's ambitions also highlight the extent to which USM security companies can use their increasingly valuable paper—their own trading at premiums to their issue prices—to wrap up the juiciest pieces among a multitude of small, mostly privately owned security groups.

Alarm installation and manufacture accounts for around a third of the entire security market, and that sector alone contains more than 2,500 small companies, quite apart from other areas like guarding, transport lock and safe-making.

Most of them contain a valuable store of recurring equipment rental income, although there have been criticisms over accounting techniques which exaggerate the early years' benefits from rental contracts only to reduce them later.

Despite those pitfalls, Tunstall and the security groups it leaves behind it on the USM are likely to keep a keen eye open for acquisitions so long as the market smiles on their share prices—unless of course they get snapped up first by bigger fish.

William Dawkins

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YOUR SAVINGS AND INVESTMENTS

Free tax pamphlet for the unemployed

I have been unemployed since January 1983. I understand that no deduction of tax is made from unemployment benefits until the period of unemployment has ended. My Income Tax office states that this is not so, and that it is assessable in the year in which it is received. Who is right?

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

You will find general guidance in the free pamphlet (R41 played), which your tax office really ought to have sent you already.

The taxmen are right on the first point, but wrong on the second. If you submit a reasonable estimate of your total income for the current tax year (specifying the expected figure for each source, as far as possible), together with vouchers for at least sufficient dividends to cover your 1984-85 personal allowance, they cannot refuse to deal with your claim promptly. We suggest that you write to the tax collector at the same time, explaining that the 1983-84 liability will be settled by the inspector direct, out of tax credit payable for 1984-85; this should stop the collector plaguing you with repeated demands.

Endless task of administration

It appears that by taking out papers of administration, that the administrator was deemed to have "intermingled" with the estate. (The parents having died intestate). The administration has been proceeding for some years. The administrator has, from that estate, received the ownership of a house, while his brother, the only beneficiary, received another, by family arrangement. Although some years have passed, the further assets have not yet been distributed (namely, all those accorded by deed of family arrangement). In the meanwhile, ill health may cause the administrator to resign, under doctors orders, either for 6 months and possibly for all time. Is it possible to allow the resignation of an administrator?

An administrator cannot resign; but it is possible to have the grant of letters of administration revoked and a fresh grant made to a capable administrator. Special circumstances would need to be shown to achieve this.

Special tax on new cars

I enclose a copy of the invoice which was given to me when I went to try to buy a new car recently. You will see that the basic price is quoted on the first line, and the next line is the so-called "forecourt discount" (£840). The item of £636.58 is described as "special car tax" and there are delivery and number plate charges. This is totalled to £7,710.50. To this VAT at 15 per cent is added, but road tax is separate from the VAT. What is the special car tax, and how is it calculated, and why is VAT chargeable on this amount. I cannot see how any

value can possibly be added to a tax which is imposed. Car tax is a special tax on the value of cars to increase the Government's revenue from the car buyer. It is levied on the value of the car at the time of its first sale. Value added tax is a tax paid to the Customs and Excise which is effectively calculated on the sale price of value of goods and services supplied. As you do not know the rate is 15 per cent on the price exclusive of VAT. You must not be misled by its title into thinking if no value is added to something there must therefore be no value added tax.

Independent school trust

My daughter has recently entered a small independent school as a result of her success in a competitive entrance examination. I have now found that the school is the sole beneficiary of an old established trust and that the Governors are also the trustees. Since it has been possible to raise funds for the school using deeds of covenant with the trustees reclaiming the tax element I assume that the trust has charity status. In view of the existence of this trust it would appear possible to make regular payments under deed of covenant, with suitable wording, which amount to the termly fees. This would have benefit to both myself and the school. I realise that one objection could be that I was in effect making a deed of covenant to benefit my daughter. This however does not seem to be a barrier to parents entering into deeds of covenant in response to appeals by the trustees. In both cases it could be argued that payments to the trustees benefit all pupils equally. Could you please advise me whether it would be possible to: 1—pay termly fees by deed of covenant with the trustees reclaiming tax, or 2—for the trustees to award a number of extra termly scholarships as a result of "increase funds made available by deed of covenants," or 3—whether any such scheme is precluded by current tax legislation?

1—No, a charitable annuity cannot entitle the covenantor to significant benefits. 2—Yes, provided that the scholarships were totally unconnected with the convenantors' children. 3—Your use of the word "scheme" suggests that you are considering a "quid-pro-quo arrangement"; this would be ultra vires charity trustees, almost certainly, (even if not, it would be frustrated for the reasons indicated in the previous answers). No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



Working from a military background: Group Captain Coulson

Principles of war

THE STOCK MARKET often appears a battlefield to the new investor. So it was, perhaps, natural for Group Captain Ronald Coulson to adopt a military approach to his investments.

"My policy for investment is based largely on Clausewitz's principles of war," he says. "Security of base and sound intelligence with just a dash of the element of surprise."

On retiring from the RAF in 1970 Coulson handed over his gratuity and savings to a portfolio management service. But after less than a year he became "disgusted and disillusioned," especially when the manager sold his shares in a bank just one week before a takeover bid sent the price soaring.

Coulson decided to run his own investments, beginning with the portfolio he took over from his managers.

This was entirely in equities at first, but the market taught him some sharp lessons. "But for I knew better I held on to Jove Investment Trust capital shares all the way up from the initial launch price of 10p to their peak of 39p and then all the way down to less than 5p," he said. "Today I would have sold at least half the holding as soon as the price fell 10 per cent from the peak."

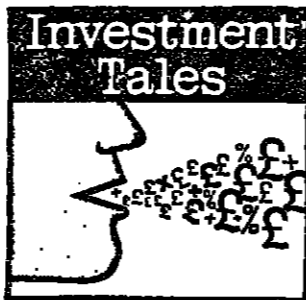
And Coulson stayed in equities all the way through the slump of 1974, a decision which he says caused him a few sleepless nights. He has now evolved a more cautious strategy for at least part of his portfolio.

The secure base from which Coulson now conducts his campaign is made up of his pension, which he did not commute into a lump sum, and a proportion of his total investment—now 25 per cent—in fixed-interest stocks. From these he sells regularly to achieve an income that falls within his capital gains tax allowance.

In fact, making full use of his £5,600 a year CGT allowance is one of Coulson's first aims.

From this base he sallies out into the minefield of individual shares, "where the chance of success depends largely on good intelligence on the company and management in question."

One of Coulson's largest holdings is a share he took over from his investment managers,



Hanimex which now makes up 12 per cent of his portfolio. He has stayed loyal because he sees it as a sound international company, and expects it to go much further after a temporary setback.

He also has around 30 per cent of his portfolio in investment trusts and unit trusts—and he often aims for short-term gains when new funds are launched.

He has made "useful short-term profits" in Mercury Money, Mercury Gilt, RBC Sterling and Framlington American Turnaround.

But Coulson likes a little bit of adventure in his investments, and in this category he chooses not penny shares but established companies.

He switched in and out of Jardine Matheson successfully for a number of years, and currently includes Western Mining and Teck in this section of his portfolio.

And he admits to acting on instinct occasionally—and successfully in the case of Renold Engineering, which he bought in January this year at 27p and sold in October at 51p, just below their peak for the year of 55p.

Coulson is not particularly optimistic about stock market prospects for the near future, and expects to move about 60 per cent of his portfolio into fixed interest stocks early in the new year.

But his most pressing decision now is whether to sell his holding in Atlantic Assets and Zephyrus American Investment Trusts, currently showing a 10 per cent loss. "Intelligence reports on the managers are so sensitive, but what Wall Street will do next is anybody's guess."

George Graham

Foreign banks court home buyers

David Lascelles looks at a corner of the mortgage market that is not forever England

THE BUILDING societies have dominated the home loan market for so long that most people cannot imagine going elsewhere for a mortgage, except possibly to their banks. But for speed, ready availability of money or even price, some of the best bargains these days are available from foreign banks operating in the UK.

The United Bank of Kuwait, for example, is offering mortgages this week at 11.25 per cent, a full 1 per cent below a typical building society. Citibank, the big U.S. bank group, is also flush with funds.

Other big American banks like Bank of America and Chemical Bank are also eager to tap the huge demand for home loans here and are placing themselves competitively in the market.

But there is a catch, of course. The Kuwait bank's minimum mortgage is £40,000, and it will lend only up to 70 per cent of the equity value of a property. Also, you cannot just call into

your local high street branch: you have to write to La Baker St. London W1B 1AA.

The average mortgage made by the bank is £65,000, which indicates the type of business it wants. But even at this level, it is getting 10 applications a day, and claims to be able to complete within three weeks.

Cheapness is not necessarily the attraction of a Citibank loan, specially for smaller borrowers. The bank has an unusual reverse sliding scale: loans get

cheaper as they get bigger than with customer-deposits. because Citibank wants the big ticket business. At 13 per cent, a £20,000 mortgage is no snip. But a £50,000 loan at 12.25 per cent looks quite cheap.

Citibank also has plenty of money to lend. It expects to make £250m of home loans this year, putting it about 12th to 15th in the UK league, and will probably boost that to £300m next year. Citibank has few UK branches so it funds itself in the money markets rather

than with customer-deposits. Bank of America also markets its home loans through insurance companies, though it accepts application through its finance subsidiary, BankAmerica Finance in Reading. It tries to make an offer within a fortnight. Foreign banks can afford to offer a do-hire service because, in many ways, they are creaming off the best of the building societies' market: the high-value, high-quality business with low overheads.

HOW THE RATES COMPARE

	Cost	Extras*	Extra for endowment mortgage	Minimum mortgage	Multiple of salary	% of equity
United Bank of Kuwait	11.25%	None	No	£40,000	2½ x	70%
					1½ x other	
Citibank	Up to 25,000 13% 25-50,000 12.75% 50,000+ 12.25%	1% for 100% loan	No	£15,000	3 x + or 2½ times both—which- ever is bigger	up to 95% depending on size
Bank of America	12%	None	No	£20,000	3 x	Up to 95% including 15% mortgage guarantee.

* Other than legal, surveyors fees etc

The art of timing your absence

CURRENTLY, about 2.5m Britons work outside the UK. Many have spent all their working lives abroad, but for others, employment overseas is merely an interlude in a career otherwise carried on at home. Most of them will receive a measure of relief from UK tax, but the extent of it will depend on the length of their absences.

Most favoured are those whose employment overseas extends beyond a full tax year (April 6 to April 5). Provided their visits home exceed neither six months in any tax year nor three months on average, they become non-resident for tax purposes.

The resulting freedom from tax, extends not only to the overseas salary but to overseas investment income, too. What is more, there is exemption from Capital Gains Tax—even on UK gains. But most British income remains liable to tax, and what is more, the non-resident is not entitled to any personal reliefs. As a result, a reorganisation of personal finances is often desirable after a person gains non-resident status.

At the other end of the scale are those who spend periods abroad on business, totalling 30 days a year or more. Up to the year 1983/84, such people were entitled to exemption from tax on 25 per cent of the pay relative to the period spent abroad. Unfortunately for them, this relief has been reduced to 12½ per cent for the current year, and is eliminated altogether from 1985/86.

Finally, there are those whose overseas employment is carried on during a "qualifying period" of 365 days or more, where the absences does not cover a complete tax year. They remain residents of the UK for tax purposes, but are entitled to total exemption from British tax on their overseas pay.

To achieve this result, it is

not necessary for the absence to be continuous. The words "qualifying period" will encompass time spent in the UK, as long as it does not exceed either 62 consecutive days or one sixth of the days in the period. The second condition causes complications.

Consider the case of Mr Green, whose company transferred him to its New York office on April 30 1984. His movements prior to resuming his UK post are: as follows.

	Days	Days
Absence from UK	200	
Visit to UK	42	
Absence from UK	40	
		283
Visit to UK	20	
Absence from UK	173	193
		475

In applying the rules, it is not good enough to look at Mr Green's absences overall. Initially, we must consider the first "sandwich" of absence/visit/absence.

	Days	Dys
Absence from UK	200	
Visit to UK	50	
Absence from UK	40	
		290
Visit to UK	12	
Absence from UK	173	185
		475

The visit to the UK does not exceed 62 consecutive days or a sixth (which is 47 days) of the days in the period. Consequently, the period is "qualifying," but does not, so far, amount to 365 days. Nevertheless, we now have the right to aggregate it with subsequent periods.

The second visit and third absence are now incorporated. No visit has exceeded 62 days and total visits do not exceed a sixth (73 days) of the days in the period. Consequently, Mr Green has achieved a qualifying period which exceeds 365 days and his overseas salary will be entirely exempt from UK tax.

But that is not the full extent of his benefit. In 1984-85, only the one month's salary prior to leaving for the U.S. is taxable. With the result that much of the £3,155 personal allowance is available to reduce

Tax and the Employee

An examination of the first absence / visit / absence, shows that the 50-day visit did exceed a sixth (48 days) of the period. Consequently, this is not a qualifying period and cannot be aggregated with the subsequent absence. The 173 days spent abroad is a qualifying period, but being less than 365 days does not exempt Mr Brown's salary. The fact that he will be entitled to this 12½ per cent exemption for 1984-85, will be small consolation to him.

Poor Mr Brown! Had he but known it, he could have qualified for the full exemption by spending just three days of his 50-day leave in the South of France instead of in Bourne-mouth. For the odd fact is that days overseas do not have to be spent working a count towards a qualifying period.

The author, Donald Elkin, is a director of W. T. Fry.

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3i INVESTORS IN INDUSTRY

SAVINGS OFFERS

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A money-making machine

MINING
GEORGE MILLING-STANLEY

"WE HAVE NO PLANS to buy on oil company," Mr Bob Calman, chairman of the Canadian gold producer Echo Bay Mines, told me recently. The conversation had turned to the recent U.S.\$400m acquisition of Felmont Oil by America's Homestake Mining, and while refraining from criticism of his rival, Mr Calman said he believed investors were prepared to pay a premium for what he called a pure gold play.

If the investor wants diversification, he went on, "he usually prefers to find it for himself by putting together a portfolio of companies with a broad spread of interests. That way he can get exactly the kind of diversification he is looking for. It is simply not the job of companies to diversify themselves."

This approach fits in exactly with the corporate philosophy of IU International, the American conglomerate which was Echo Bay's parent company until the gold producer was spun off to IU shareholders a year ago.

Synergy, the deriving of benefits from bringing together apparently disparate activities, is the magic businessmen are seeking when they put together large companies with a broad spread of interests. But synergy can sometimes be the opposite of energy, and certainly Echo Bay seems to have won a new lease of life since the spin-off.

The company now has a three-pronged strategy for expansion, involving improvements to productivity and output at its Lupin mine, the second largest in Canada, further exploration for precious metal deposits in the far north, where Lupin is situated, and the acquisition of other gold producers in north America.

Echo Bay has made no secret of the fact that it is on the acquisition trail. In September, the company took out an option agreement to ensure it has a look at the California gold pro-

ject of Sonora Gold, but this was allowed to lapse as Echo Bay staff felt they had not been given enough time to study the property to justify making a \$60m investment decision.

Mr Calman described relations between the two companies as friendly, but any deal with Sonora has been relegated to the back-burner by this week's takeover of Copper Range, a wholly-owned subsidiary of Louisiana Land and Exploration of New Orleans.

An initial U.S.\$55m will be paid in cash on completion of the deal, probably in January, and a further \$75m is payable in the form of a 3 per cent royalty on revenues from Copper Range's Nevada precious metal properties, starting in 1989. Once that commitment has been met, the royalty falls to 1.5 per cent.

About \$25m of the initial purchase price will be financed through medium-term borrowings in U.S. dollars, although Echo Bay is considering a share issue to keep the level of bank borrowings down.

The remaining \$30m or so will be financed through the sale of future gold production from the Lupin mine, in Canada's Northwest Territories, and Mr Calman explained that Echo Bay has already stepped up the level of forward sales in anticipation of the takeover.

At the end of the third quarter, the company had sold forward 8,200 ounces of expected fourth quarter output at an average price of \$472, and 17,800 oz of next year's production, some 10 per cent of the total at a price of \$418.

The more recent sales will have taken the proportion of output which has been sold forward significantly higher.

Mr Calman said he believes that gold mines are sensible to use their production to finance expansion or acquisitions in the gold business. "If you had a patent on a machine to manufacture Swiss francs, you would use Swiss francs to finance its development, wouldn't you?" he asked, confident that he had the right answer.

The main attraction of Copper Range for Echo Bay is its half-share of the Round Mountain gold mine in Nevada. In this, Mr Calman finds himself in agreement with Homestake, as by a curious coincidence the U.S. company's takeover of Felmont Oil brought with it a 25 per cent interest in Round Mountain.

Copper Range is the operator for the mine, which came into production in 1977 and is expected to produce 120,000 oz of gold this year at a cash operating cost of around \$250 per ounce. Reserves are put at 167m tons, grading an average of 0.43 oz (1.3 grammes) of gold per ton, with a total gold content of some 7m oz.

Round Mountain is a large tonnage, low-grade open-pit gold mine, in contrast to the comparatively high-grade underground operation at Lupin. This does not worry Mr Calman, however — "The processing of gold ore is pretty much the same wherever you go," he commented, and we have proved our ability to move men and large quantities of materials in constructing the Lupin mine."

Copper Range also owns the White Pine copper mine in Michigan, which has been closed since 1982. Echo Bay has no immediate plans to go into the copper business, and regards the operation as a bonus which may eventually be re-opened as a copper producer, but will much more probably be pirated for plant and machinery.

The use of second-hand machinery is something of a speciality of Echo Bay management — as Mr Calman said, "The toughest thing in the world is to persuade our guys to buy a new truck."

Handwritten signature: George Graham

YOUR SAVINGS AND INVESTMENTS

Blessing him who gives and him who takes . . . Dina Thomson

The tax-efficient gift of cash

THE FINER points of gift-wrapping may occupy a disproportionate amount of your time as the days before Christmas are ticked off. If your generosity extends to charity, it is also worth considering how best to package your chosen gift.

Giving to charity by covenant is the most tax-efficient way of making a donation, as it entitles the charity to recover from the Inland Revenue tax which you have already paid on your donation.

This boosts the value of your donation to charity and can be particularly effective in the case of the high-rate taxpayer, as was explained in last Saturday's FT.



A covenant is simply a legally enforceable promise for not less than three years and it usually lasts four. You can specify certain conditions which will place limits on the time frame.

While you can make a covenant directly with the charity of your choice, you can also use the independent Charities Aid Foundation (CAF) to disperse your donation widely.

By making a covenant directly with CAF, you have the advantage of flexibility, as you are not tied down to any one particular charity.

A further scheme for charitable donations was launched on Thursday by stockbrokers Hoare Govett, in conjunction with CAF.

Investors who made donations to registered charities can use the scheme to make their gifts by covenant from the income generated from their investment portfolios.

Hoare Govett's Unit Trust Charity Scheme allows you, as an investor, to give to as many charities as you like, to choose your own charity, and the amount you would like to give from year to year.

The minimum investment, as with Hoare Govett's orthodox unit trust portfolio management service, is £8,000. Charges are

the same as for the orthodox service, and as with all donations made through CAF, 3 per cent of the gross income received under your covenant goes to CAF's founder, the National Council for Voluntary Organisations.

But if you do not have £8,000 to invest, or if you do not want to link your investment income with your charitable donations, there are alternative means of giving to charity by covenant.

The flexibility provided by CAF, which allows you to respond generously when disaster strikes in Ethiopia, for example, can be created closer to home.

You can set up a charitable trust yourself and make a covenant to place a certain amount of money in it. As with any covenant, the minimum period is usually four years. But there is the advantage of not having to allocate a minimum amount of money to charity.

Income allocated for a charitable trust is exempt from Capital Gains Tax and Stamp Duty. Whereas the tax laws stipulate a limit of 21 years on the accumulation of income in a private trust, there is no such limit on the accumu-

lation of income in a charitable trust.

This means that any accumulated income in your charitable trust also goes to the benefit of charity. The Charity Commissioners frown on income that is left to accumulate for long periods without distribution, but as trustees a husband and wife, for example, can have complete discretion as to the distribution of both the capital and income in the trust.

Your trust has to be registered with both the Inland Revenue and the Charity Commissioners. You could find that the latter prefer there to be an independent third trustee, but this is not a requirement.

The setting up of a charitable trust could necessitate seeking legal advice if the sums involved are large. But the procedure for drafting a charitable trust is a fairly standard one.

You must submit your draft to the Charity Commissioners by airmail to Liverpool which will send a copy on to the Inland Revenue. Their joint comments will be made on the back of the draft, which will be returned to you. It is possible that they may require amendments before they give their approval and a registered number as a charitable trust.

If you use a solicitor, fees will vary according to the amount in the trust and on whether or not you use a London firm or one in the country, but it could cost you up to £200 to set up such a trust.

If you have hundreds rather than thousands of pounds that you would like to give to charity, and you want to retain complete flexibility in deciding where and when to allocate the money, you should consider setting up a charitable bank account.

A halfway house between one-off donations to charity and a charitable trust, a charitable bank account allows you to designate money exclusively for charitable purposes with a minimum of administration.

The benefit to any charities that you sponsor out of your separate charitable account is the same as it is with any other donation by covenant — the charity claims back tax relief from the Inland Revenue.

But a charitable bank account need only be registered with the Inland Revenue, and does not need the approval of the Charity Commissioners. As with a charitable trust, there is a minimum on the amount that must be paid into it very year.

To set up such an account, you would draft a document stating under covenant to use the account solely for charitable purposes, and register with the Inland Revenue. The document should be signed by all those able to write cheques on the account.

Advice on such accounts should be available from your accountant. The firm Robson Rhodes suggests that if small amounts are involved, charitable bank accounts are a lot easier to administer than trusts, but that they are not appropriate if the amount is over £5,000.

Charities Aid Foundation, 48 Pembury Road, Tonbridge, Kent TN9 2JD, (tel: (0732) 256323.



Law tilts towards disgruntled clients

David Cohen explains what to do if your stockbroker's advice is uneconomic

IF THE advice which you receive from your stockbroker keeps losing you money, there may come a point where it becomes worthwhile to seek advice from your solicitor. Suing your broker for negligence is certain to be difficult but there are signs that the scales are beginning to tilt in the client's favour.

The law says that a stockbroker's duty in advising a client is "to use that skill and diligence which a reasonably competent and careful stockbroker would exercise." If he falls short of this standard, he is liable to compensate his client for any resulting loss.

Some cases will be so clear-cut that most brokers would pay up without any argument. One example would be where a non-taxpayers client wants to buy a gilt-edged stock that pays dividends without deduction of tax, but the broker negligently picks a stock which pays out net of tax.

But in most cases the client will have a difficult task proving negligence. The mere fact that a broker's advice turns out badly is not proof that he has been negligent. The quality of his advice has to be judged as at the time he gave it—without benefit of hindsight.

As a topical example, suppose that in the future British Telecom shares fall below the price at which they have been offered for sale to the public. Investors who had recommended BT. The recommendations were perfectly reasonable at the time they were made—as evidenced by the large number of brokers who made them—and stockbrokers cannot be expected to be prophets.

If a bad outcome is no proof of bad advice what sort of evidence can a lost investor rely on?

He may be able to show that the reasons the broker used to back up his recommendation were misleading or illogical.

A broker could also be liable for suggesting that new legislation or changes in Government policy favoured a particular stock if proper research would have shown that this was not so.

The investor will also have a good case if his broker has negligently overlooked a vital factor, such as the need for Monopolies Commission clearance of a takeover or merger.

In practice, however, brokers' recommendations tend to be so carefully hedged and qualified that this type of evidence will rarely be available.

Brokers are likely to be far more at risk where they are

given complete discretion to manage funds on a client's behalf.

In two recent cases, unmoderately brokers were sued for losing large amounts for discretionary clients. Both claims failed but in both cases the judges stressed that the volatility of the commodities markets was a prime reason for deciding that the brokers had not been negligent.

Since stock markets are usually rather less volatile, a case brought by a discretionary client of a stockbroker should be that much more likely to succeed. If, over a reasonable period, a discretionary portfolio had markedly underperformed the standard market indices, a court should accept that as strong evidence of negligence irrespective of the details of the individual transactions.

In one important respect, an extension of brokers' responsibilities may well be on the cards. In the U.S., a stockbroker has to apply a "suitability test" to all his investment advice. This means that before making a recommendation he has to consider not only the merits of the stock itself but also whether it is suitable for the particular client to whom he is recommending it.

A speculative oil stock may be a spiky addition to a substantial portfolio but unsuitable for a person of more limited means.

A high-yielding gilt would be fine for tax-exempt institution but not good for a top-rate taxpayer.

Putting this extra onus on brokers should lead to better all-round service for clients and, in the last resort, a better chance of proving negligence.

British stockbrokers are not yet subject to the suitability test, but last year the Government brought in a suitability rule for licensed dealers in securities. There must now be pressure on the Stock Exchange to follow suit.

Even if the law is becoming more ready to hold brokers accountable for their mistakes, disgruntled investors may sometimes be better off pursuing extra legal remedies. A story recently went round the City of a wealthy individual who invested well over £100,000 with stockbrokers on a special discretionary dealing account for which the minimum investment was £100,000. Things went badly and after some months the brokers' in-house computer wrote to inform the investor that the funds held on his behalf had fallen below the £100,000 threshold and gave him the choice of replenishing the account or withdrawing his money. The furious investor threatened publicity. He was repaid in full.

David Cohen is a solicitor practising in London.

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Mr Bryan Baughan,
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London WC1P 6PB

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George Graham on what lawyers have to offer Specialist pools for problems

THE LOCAL solicitor was once the main, if not the only, source of financial advice for the average person. Now that accountants, insurance brokers and other advisers have moved in, what does the lawyer still have to offer in the way of financial advice?

The answer depends entirely on the solicitor in question and on the resources of his or her firm. Law firms have grown in size, particularly since the removal of legislation limiting partnerships to 10 partners—but there are still around 3,000 solicitors in England and Wales who are sole practitioners, without the support of partners who may have specialised in complementary areas.

"How these people can specialise is beyond me," says the tax partner at one London firm.

Most solicitors believe, however, that even if individual partners must concentrate on narrowly defined areas, the law firm as a whole must be able to cover the whole range of difficulties their clients may bring to them.

"These problems are not capable of being put in a straight-jacket," says Colin Prestige, partner at a London

firm of solicitors. "You're a wealthy individual, but in and behold, he gets himself divorced. If your firm doesn't do matrimonial work, then he has to get two separate firms."

Smaller solicitors can always refer to barristers for counsel in areas where they themselves have no expertise, but increasingly they are asking for help in the first instance from other larger firms.

"There is slightly less pleasure in going for counsel for an answer when you don't fully understand the question," says David Bates of a firm of City solicitors, "so firms out of London may go to a City of London firm for advice."

In addition, smaller solicitors will be more ready to refer their clients to accountants or insurance brokers on matters that fall outside their expertise, where a large firm may have enough accounting knowledge in-house to deal with the problem.

It is in personal taxation that the lawyer's financial advice is likely to be most needed—and an capital transfer tax especially, because of the solicitor's role in drawing up wills. "A will is a document that

can save capital transfer tax on death. If it is badly done it is a legacy to the Chancellor of the Exchequer," says Prestige. "In my view a solicitor who knows his subject knows more about capital transfer tax than an accountant."

Problems on capital gains tax, income tax or development land tax may also be areas where the solicitor may have special knowledge.

In principle, the solicitor will charge on the basis of the time taken, the complexity of the problem, and the amount of money involved in the particular transaction for which advice is required.

Most will give a fixed quotation for a particular transaction, on the assumption that the problem is fairly straightforward; the final bill may be higher if it turns out to be more complicated than the solicitor thought at first.

For drawing up a simple will, where husband and wife leave their estates to each other, the cost might be £15-£30, depending on the solicitor. Some firms, in fact, regard will as loss leaders.

Clearly, however, the amount of work that will be done for £15 is limited, and if the estate

Paying for advice

is more complicated it may be worth paying more for a greater amount of advice, to ensure that the will is drawn up in the most tax efficient way. Costs for a large and complex estate could range up to £2,000.

It is in the solicitor's interest to adhere to the original quotation where possible, so as to keep the client's business, and most will make every effort to do so. If you feel that you have been overcharged, you can complain to the Law Society, which will assess whether the solicitor's expenses were reasonable. Commission that lawyers may receive—if for instance they recommend a life insurance contract or handle share purchases on behalf of their clients—should be taken into account when billing the client. But the regulations on disclosing commission are less clearly defined than those covering chartered accountants, and solicitors in general are less likely than accountants to offset the entire amount of commission against fees.

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MURRAY GROWTH TRUST PLC

Results for the year ended 30 September 1984

	1984	1983
Equity shareholders' interest	£148,709,422	£130,860,260
Asset value per share	110.7p	97.5p
Revenue available for ordinary shareholders	£1,960,139	£1,834,514
Earnings per ordinary share	1.48p	1.39p
Ordinary dividend per share - interim	0.40p	0.40p
- final	1.00p	1.00p
Capitalisation issue in B ordinary shares	1.26464%	1.43686%

Investment Policy
To achieve growth in net asset value through an international portfolio, including an element of unlisted securities, particularly in the technology area.

Main Features of the Year

- * At balance sheet date the valuation of unlisted investments was some £33 million of which some £10.7 million had dealing facilities. Unquoted investments totalled some £22.3 million, or 15% of net assets. Investment in this area will continue.
- * During the year there was a substantial reduction in the weight of funds committed to North America and an increase in the Japanese percentage. The effect has been to reduce materially exposure to the U.S. dollar.
- * Net asset value per share increased by 13.5%.

Distribution of assets as a percentage of shareholders' equity.

	1984	1983
Equities	94	93
United Kingdom	38.1	35.0
North America	36.3	46.7
Japan	13.5	10.3
Far East	2.5	2.3
Europe	2.0	2.5
Brazil	0.4	0.3
Bonds and Cash	92.8	97.6
United Kingdom	1.9	1.4
North America	13.7	13.8
Japan	4.6	-
Net cash	10.5	3.9
	29.8	19.1
	122.6	116.7
Less prior charges at nominal value	(22.6)	(16.7)
	100.0	100.0

MURRAY JOHNSTONE

Copies of the report may be obtained from the Secretary, Murray Growth Trust PLC, 163 Hope Street, Glasgow G2 2UH.

Arthur Sandles examines the opportunities available to cruise addicts

Marine choice for the latter-day Columbus

CRUISING is a love-or-hate-it holiday. The real addicts love those lazy days at sea, the partying, the security in strange places, the comfort and the company. Opponents talk of claustrophobia.

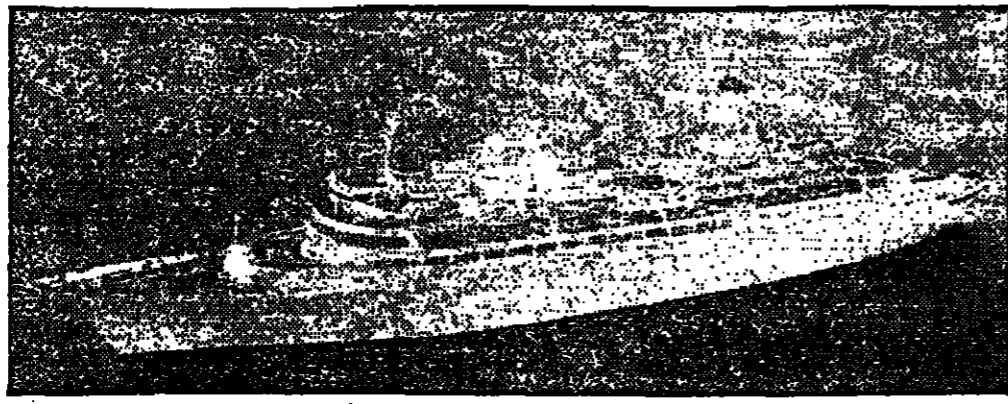
For the real enthusiasts, however, we are about to enter the peak time of the year—the period when the great ships of the world's fleets set off on their world cruises. If you take the whole trip it normally lasts for three months, a complete escape from the northern winter.

First away from the quayside, on January 7, is the Taras Shevchenko, the Russian ship operated by CTC lines. I have not travelled on a CTC vessel so cannot speak from personal experience, but you can expect reasonable down-to-earth comforts on board a one-class 20,000-ton vessel that carries 650 passengers.

Unlike most cruise ships these days, who look to Americans, the Taras Shevchenko draws most of its passengers from the European market.

The lowest price for the cruise is £2,930, but for that remarkable price you get very basic accommodation indeed. A more normal figure would be a little over £5,000 for a berth in a two-bedded cabin with shower and wc.

All the prices mentioned in this review are brochures



P & O's Sea Princess leaves Britain for her world cruise on January 11, sailing to five continents and 22 ports of call. Fares for the 89-day trip range upwards from around £8,000, but various sectors are for sale separately

tariffs and may be subject to currency surcharges. The Taras Shevchenko sails from Tilbury to Madeira and then cuts across to Barbados before wandering into the Pacific for a trip that includes Tahiti, Sidney, Hong Kong and later the Indian Ocean calls of Colombo and Bombay. There are, of course, lots of other stops in between.

Not so many, however, as is being visited by the Sagafjord which leaves Miami on January 8. I am cheating a little here in that the Sagafjord trip is really a Pacific voyage. It does a brief Caribbean tour before slipping through the Panama Canal to visit all those places you have ever dreamed of from Guyana and Easter Island, to

Piteairn and Bora Bora, from Sydney and Ball to Pattaya and Shanghai.

The basic cost of the whole cruise from London (including Miami flights) is upwards of £12,000, but again you would expect to pay rather more than that for better accommodation. The Sagafjord is run by Cunard these days and on February 14 the ship meets the line's flag vessel, the E2, at Sydney. At this point passengers on either vessel can cross over to the other one for the rest of their voyage.

This is one of the dozens of different offerings available in connection with the longer cruises, options which make the quotation of sample prices even more difficult and confusing.

The QE 2, for example, has a series of Concorde options which allow UK passengers to join the ship in New York, Miami, Rio, Cape Town, Hong Kong or Singapore.

The QE 2 leaves New York on January 13 and sails down into the Caribbean before the trip through the Panama Canal into the warm waters of the Pacific.

An enormous plus for UK passengers taking the QE 2 all the way is that the ship returns to Southampton (labour problems allowing). This means that the normal baggage problem for fly-cruising as far as overseas purchases are concerned—and in three months one is likely to have made quite a few—is overcome.

FROM WHERE I sit I can see what looks a smallish town basking under the equatorial sun. A couple of needle-pointed towers suggest the presence of both Christian and Islamic communities. We wait for the small craft that will carry us ashore, and the fact that we have had to moor so far from the quayside says much about this little port and one-time centre of the space trade... this is one of those hundreds of coastal communities round the world that slither or of today's transport problems, have forced commerce to abandon. In that, and perhaps in a few other ways, it has something in common with Rye in Sussex and Salem in Massachusetts.

But this is a long way from the Englands both old and new. This is Sibolga in western Sumatra. We are about a mile

Sights and smells of the East

offshore. "Can I smell something awful?" says one American. "You can," the Danish captain replies. "To find Sibolga, I just head for the smell."

Sibolga smells of tons of fish caught in the shallows of the harbour and spread out through the port to dry. Rural Sumatrans come here to buy it.

Sibolga, with its corrugated roofs, dusty streets and simple life, is not one of the world's brightest tourist spots. Its trishaw operators diligently pursue the cruise ship passengers but those visitors find no batik boutiques. To some it proves a disappointment. "I didn't see anything to buy." But it is Indonesia.

Everyone seems to be struggling with the climate. Through the year the weather around Sumatra tends to be hot and sticky. At this time it is marginally less hot, the lower 90s instead of the upper, and a little more sticky, reaching 75 per cent humidity instead of 70. Perhaps those statistics are why the region has had to wait for universal air conditioning before suffering the tourist invasion.

To suggest that what our history books once called the East Indies are being spoilt by the rush of tourists would be naive. This new wave of visitors is leaving its mark, as other invasions have in the past, but it is

only a mark. The mysterious East is still there for those who wish to see.

The East is a mystery because, to the westerner its component characteristics are so alien that we have no real starting point for the instant acclimatisation we have learnt to expect.

Perhaps it is television which has broadened our own horizons, making us willing to risk and sample. At the moment I am one of several hundred people doing our sampling in what may regard as the easiest way of all, aboard a cruise ship, the Pearl of Scandinavia. To some it is touristic cheating.

The Danish-owned and officered, Nassau-registered, Filipino-crewed, American-patrolised vessel voyages in Indonesian, Malaysian and Chinese waters picking up passengers in Japan, Hong Kong and Singapore and serving them food from an Italian chef. The hairdresser is English.

It is, after all, sanitised travel but I do not know of any other way of seeing so much so quickly and certainly in such

QE 2 prices range from around £10,000 to £50,000 for the whole trip, but a basic Concorde package can be bought for £4,000. Expect to pay about £17,000 for a goodish cabin for the whole 100 days and three dozen ports of call.

It is on January 20 that the Royal Viking Sky leaves Miami for its round the world voyage again one that ends considerably for the British in Southampton. She holds about 700 passengers when full and is an extremely popular, Scandinavian-crewed, ship.

For those of a deeper pocket it is sad to report that all the penthouse suites have been sold, but there are still vacancies in other cabins, and for a variety of sectors of the voyage. Ex-London prices are upwards of £13,300 for the whole trip.

Indeed as a general price guide, with the exception of Russian ships, you should expect to pay about £130-£150 a day per person for a goodish cabin on most cruises at the upper end of the market. It sounds a lot, but placed beside the cost of a London or New York five star hotel, with all meals, an entertainment, it begins to look something more of a bargain.

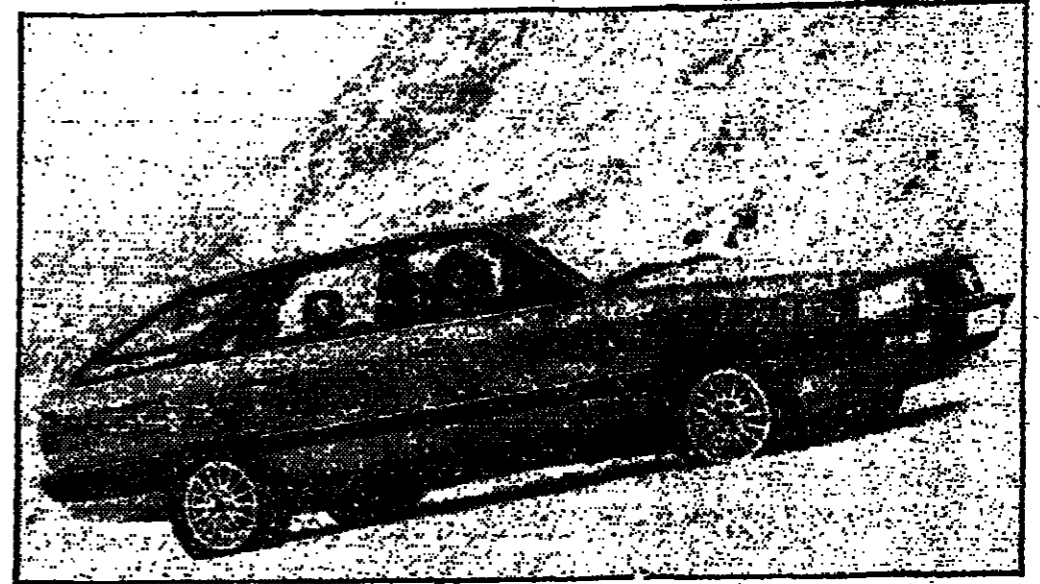
So complex are the routings, costings, cabin options and sector choices that, if you are considering a long cruise, I would urge the gathering of all the brochures from your travel agent and several evenings careful research.

comfort. Though many of the people aboard seem disdainful of what they have paid thousands of pounds, dollars or marks to see, the rest pack the lecture halls and burrow into the history books enthusiastically.

Many admit that they have bitten off more than they can chew. Some signed on for a full 42 days that has ranged from the bustle of modern Japan to the skyscrapers of Kowloon to the temples of Malaysia... and the fish market of Gibraltor. It is no Caribbean pleasure hop. This really is a voyage into Eastern fascination, and if you feel guilty about slinking back on board to an air-conditioned cabin and guaranteed germicidal-drinks, so be it.

But as I sip one of those drinks and gaze out at the roofs of Sibolga I am beginning to think I even like that smell. It certainly beats television.

Further information: most Asian nations are represented at the World Travel Market which opens to the public in London this weekend. The Pearl cruise head office is at 1700 Montgomery Street, Suite 320, San Francisco, California 94111, US. The London sales office is at DPDS (UK), Latham House, 16 Mid-ries, London EC3N 1AD.



The complexities of fine tuning

By STUART MARSHALL

ONE DOESN'T, of course, talk about a car wireless any more. Even car radio is frowned upon by the experts. ICE (in-car entertainment) is the hip expression for what most of us still call a car radio but which is increasingly a combination—a combined radio set and tape player.

As the years go by, I find cars become easier and easier to drive, but the radio (sorry, ICE systems) become more difficult. In the three years I owned my last car, I never did discover how to work the combination properly. After studying the opaque instructions, I still couldn't work out how to pre-set BB2, 3 and 4. The self-seeking needle buzzed angrily up and down the scale and if it stopped at the right station was by accident, not design. So I tuned it by turning the knob.

The Clarion combination in my present car looks intimidating but, once I had it explained to me, is simple to operate. It lets me pre-set 18 stations—six on each of the three channels (FM-sterco, medium and long wave) it receives and, to my non-expert ear, plays broadcast music and tapes with the quality of a sitting room hi-fi. I can roam up and down the scale at the touch of a button if none of the 18 preset stations takes my fancy. The wavelength of the chosen station is shown on a digital display.

It was one of 7m ICE sets produced by Clarion last year and is similar to those fitted in Jaguars and Range Rovers. Typically, an installation in this class costs about £450. Speaker quality is absolutely crucial to proper performance. Mine has four, mounted one in each door. ICE buffs are known to pay over £400 just for the speakers and to spend £2,500 on elaborate installations for their Rolls-Royces or Porsches.

I know nothing about electronics and the performance of a modern set like my Clarion makes me marvel. But, according to Alan Wilson, Clarion Shoji (UK) Ltd's marketing

director, the ICE revolution is only just starting to get into its stride. For example, a Clarion twin aerial system to cut out interference to FM reception, caused by the receiver picking up two stations at once, is already fitted to the Nissan Silvia. It will be available as an accessory in a few months at about £40. The system switches to the aerial picking-up the stronger signal, hundreds of times per second if need be, to get the best possible reception.

Looking not far into the future, Clarion (and, no doubt, its rivals) sees that the car will become an extension of both home and office with an audio-visual and computer communication system plumbed in. By the early 1990s the radio will have gone completely digital, with no mechanical parts at all. The compact disc player will, Clarion thinks, have come into the car and gone again, replaced by a superior kind of tape. This is in a standard size cassette but carries digital recordings, giving the same quality as a metal compact disc but better suited to the moving, vibrating in-car environment. Miniaturised video cassette

of Range Rover owners because it will pull a two-horse trailer as easily as it will cross continents. The price will be high—an estimated £24,000—but the Avant is the ultimate in dual-purpose vehicles. Other new quattro models unveiled last week were the 100 saloon and Avant and the 2.3-litre Tuel injected but non-turbocharged coupe. Audi anticipates that 20 per cent of sales will soon be quattro models. The 200 Avant will only be sold as a quattro and most buyers of the 200 Turbo saloon are expected to specify all-wheel drive.

Prices of the all-wheel drive Audis will run from around £11,500 upwards. Servicing costs are not significantly different from those of front-wheel driven models. Retained value is said to be better and maintenance expenditure lower, because spreading the stresses among four wheels lowers wear and tear on both tyres and the running gear.

players will be installed, first for entertainment, then for providing driver information. Initially, this will be displayed as a map with the route marked in a second colour. Later when more telecommunications satellites are in orbit, it will be possible to have a continuously moving map. This will show the driver exactly where he is and will also offer advice about avoiding traffic jams.

After that, the computer keyboard will appear on the central console. Its printer will produce a hard copy, 32 point check-out on the car's condition whenever the ignition is switched on. And it will provide facsimile documents, transmitted from any part of the world. The hardware for the space-age car exists now and Japanese cars with it installed have been exhibited at motor shows. What works me is how the driver is expected to control the car and work all the equipment. Maybe the chauffeur will make an unexpected comeback so that the businessman can concentrate on the electronics and let someone else do the driving? Or will the driver himself be robotised? Nothing, it seems, is impossible.

Motor Cars

Motor Brokers Limited advertisement with car price list including Audi 100, VW Golf, and various other models.

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8954871F INTIM G ATTENTION JUREK MARTIN. PROCEED NOUMEA NEW CALEDONIA SOONEST. REVOLUTION UPCOMING QUERY. REPORT APPRECIATED. REGARDS EDITOR =

Dear Editor, It was very thoughtful of you to take out the extra civil unrest insurance for me before I got here and I will admit there were moments last Saturday en route to the Kanak funeral when I was afraid I might need it. But I would be dishonest if I did not tell you that New Caledonia isn't exactly your typical far flung trouble spot.

For a start, though this place has been French for 131 years, they actually play cricket here. At least, it is called cricket, and it does feature three stumps in the ground, a bat and a ball, though the similarity ends about here. The remarkable aspect is that it is mostly played by native Melanesian women dressed up in flowing garments, a bit like Hawaiian muu mus, which are known as missionary robes.

The apparent explanation is that when British missionaries came here in the last century they decreed that cricket was a suitable activity for a Sunday but that playing it without clothes on was not (this puritan reform, let it be noted, has not extended to the island's bachelors). Anyway, the habit—in both senses of the word—caught on.

It seems that there is only one ball to an over and the batswoman doesn't run, no matter who far she hits it; those at the other end do the running and there may be more than one of them; the only ways to be out are caught and bowled (no such complexities such as lbw, which might be difficult to judge when a ball disappears into a missionary robe); the bowler has to keep her arm above the shoulder but can chuck it as well as bowl it; and, still often based on the old Kanak tribes and clans, run up to 14 a side; scores are said to be low. I never did find out who won.



But, to wind out a surreal sporting weekend, I can tell you that on the centre (and only) tennis court at Hienghene, in the far north-east, on Sunday morning Henry Fairbank and the New York Times look like the Washington Post and the Financial Times 6-4. The result was not a disgrace. Henry at 54, is a past New Caledonian champion and the gentlemen of the press abandoned the night before by their charter pilot though a plane was the only sure way back to Noumea 300 kilometres away) were a little distracted.

Henry Fairbank is, of course, completely French; he may have had a British grandfather, hence the name, but was born in Orange and has lived here for 30 years. He built this simple little complex, the Relais Koukou (next to the grass airstrip which he also runs) 20 years ago, and used to do a booming trade. But the dozen or so

journalists he rescued from sleeping rough on Saturday night were the first guests he had seen in some time, so effectively have the Kanak nationalists cut off this part of the island. Just a few days before someone had tried to torch the thatched roof of the main building.

Henry will talk about the troubles here but not for publication, even in a British newspaper. He is more concerned to get his guests out on the tennis court. I had seen Sukova beat Navratilova just 72 hours before in Melbourne, but something tells me Henry at Hienghene might have been her match.

All was revealed just before I left. Having bought the sort of things unobtainable in Tokyo (to be precise a Bleu d'Auvergne, a saucisse d'Arles and 5 lbs of the sensational Melanesian coffee) I ventured, with Christmas in mind, into one of the duty-free shops that are all over Noumea—and could barely move for Japanese who were seeking precisely those status symbols which no modern Samurai can do without—Louis Vuitton, Chanel, Christian Dior and Remy Martin—we flew back to Tokyo later that night—291 Japanese and me, knees up in the weekly UTA DC-10. Life on the front-line, as you know, can be pretty rough. But not always. All the best, Regards, Jurek Martin

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IT SEEMED AS GOOD A PLACE AS ANY TO START LOOKING FOR NORTH SEA OIL.

1 9 6 5

A routine press conference in London, and an off-the-cuff remark by Shell UK's top geologist. Within minutes his comments are on every Editor's desk in Fleet Street, and by morning, being repeated the length and breadth of the country. While the sceptics scoff, the politicians pray. If what has been hinted at is indeed true, it will alter the economic and political fortunes of Britain for decades to come. Out in the North Sea, it is reported, Shell expects to strike oil.

1 9 6 6

The financial markets of London buzz with anticipation following Shell's discreet announcement of 'a significant gas discovery' 32 miles off the coast of East Anglia. Within two years Shell and other companies are bringing North Sea gas ashore, and with it a dramatic revival for the British gas industry. Plans are made for completely converting the National Grid to natural gas.

1 9 6 7

Armed with the latest seismic data, two geologists from Shell set up a small office in a tiny flat, over a bookshop, in the centre of Aberdeen. It seems as good a place as any from which to tackle their awesome task. They have been instructed to begin exploration of the vast and hostile waters of the northern parts of the North Sea.

1 9 7 1

At the northernmost offshore well yet drilled in the world, a veil of secrecy descends over Shell's activities. Communications with the mainland are suddenly coded through 'scrambler' phones. Information is rushed to Shell's scientists for prompt analysis. Until, as abruptly as they began, the exploration team cease all activity, seal the well, and are clearly seen making off for entirely new locations. A simple manoeuvre to ensure that nobody will guess what they have found.

1 9 7 2

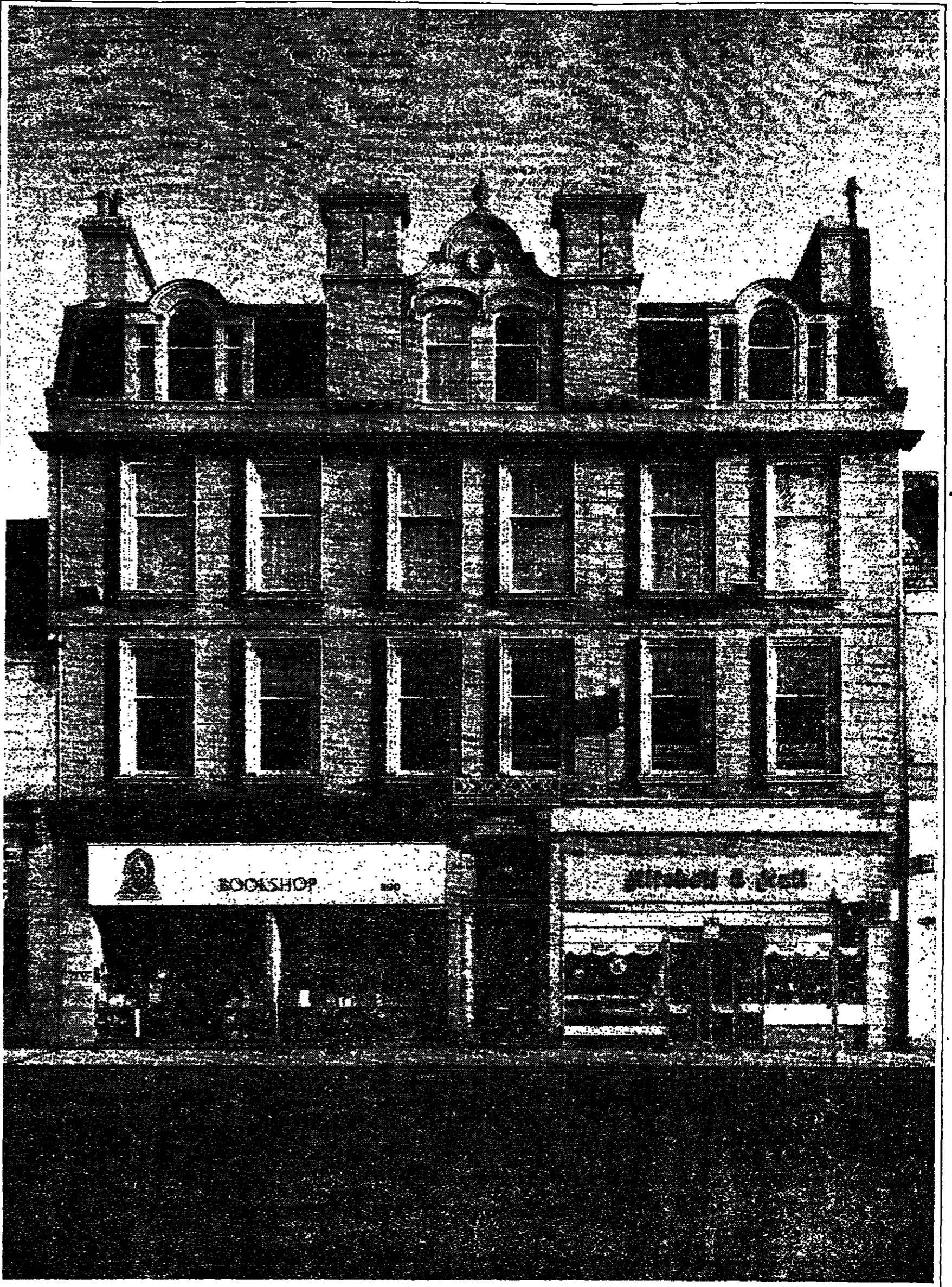
Shell proudly announces the discovery of what will prove to be a giant oil and gas find for Britain, the Brent Field.

1 9 7 4

The latest analysis of the Brent Field shows that the possible reserves of oil and natural gas liquids are double the original estimate. With Britain's oil deficit still around £3.8 billion, the news is welcome indeed.

1 9 7 6

The very high ratio of gas and gas liquids to oil being produced at Brent leads to a daring new scheme. A pipeline 278 miles long is to be laid on the seabed, to bring ashore the gas and gas liquids for separation. It will be the longest, and deepest, offshore pipeline ever built and is yet another challenge for British industry. Much of the technology required for North Sea development must be capable of operating in waves of up to 100 feet high, and in gusts of wind up to 100 miles per hour. In this instance, underwater cameras, side-scan sonars and computer systems are needed that will operate 600 feet beneath the sea.



1 9 7 8

The scheme is a success. Now it will be possible to bring the gas and gas liquids ashore for further use. The gas will be extracted and fed into the National Grid.

It would be possible to split the remainder into ethane, butane, propane and natural gasoline — important resources for industry. To do so, a highly advanced plant, costing many millions of pounds, will have to be specially built.

1 9 8 0

Work begins on the £400 million Gas Liquids Plant being built by Shell at Mossmorran, and on the 138 mile pipeline that will feed it. Soon Mossmorran will be the largest construction site in Europe.

1 9 8 2

Oil production from Brent approaches 310,000 barrels per day. This vast quantity helps transform Britain's oil deficit of yesteryear into a surplus of around £4.4 billion.

1 9 8 4

A VIP gathering to witness the opening of the new Mossmorran plant. Distinguished speakers touch on one or two environmental aspects of the plant, such as how it has been built tucked into the contours of the land so as to be as unobtrusive as possible. Also mentioned are the industrial aspects, such as how the hydrocarbons being produced will ultimately be used in the manufacturing of a thousand and one household items, from lipsticks to records.

But above all, it is noted that the opening of Mossmorran marks the culmination of the twenty years in which Shell, and the countless number of smaller British companies that have worked for her, have invested thousands of millions of pounds and great skill and ingenuity in the North Sea.

With excitement, we all look forward to the next twenty years.

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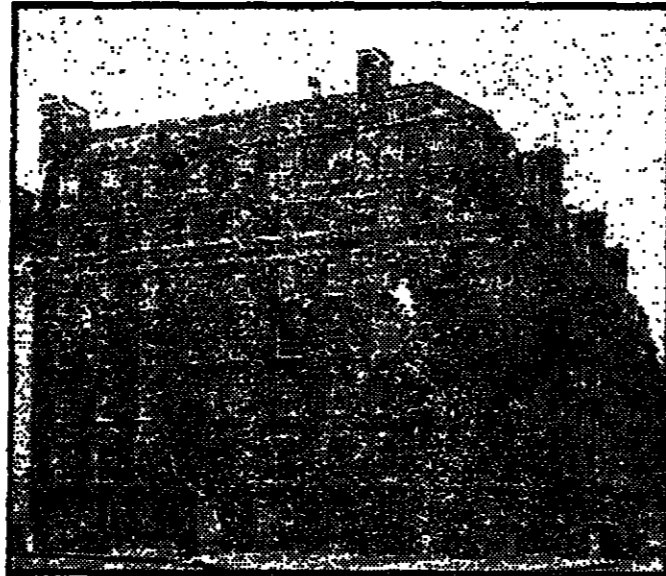
A nightingale sings in Berkeley Square

BY JUNE FIELD

AS SOMEBODY said in that Jessie Matthews film, *Evergreen*, revived recently on television, it is better to say you live in Mayfair than in Knightsbridge. But that was the 1930s when Berkeley Square was the centre of gracious living, with or without nightingales.

As the commercial element began to overshadow the residential, Mayfair's popularity declined. Now, as gracious Georgian houses revert to part residential, some of the fashionable appeal and village spirit is returning to the Duke of Westminster's 100 acres of Mayfair.

So now there is a new attraction for overseas buyers, who are interested in a prestige address for entertaining, says Linda Beany of Hampton and Sons (with offices in Arlington Street). With Debenham Tewson and Chinnocks of Brook Street, Hampton's handles the recently refurbished Glendore House in Clarges Street, a block where large flats on 125-year leases have been selling "extraordinarily well" between £280,000 and £485,000. Sturgis and Sons, with two offices in Park Lane, has always found the Mayfair market a satisfactory one. "After all, there is everything here, hotels, shops, restaurants and theatres, and there is no need to rely on a car," manager Hugh Treseder explains.



35-37 Grosvenor Square, where unfurnished flats rent at £14,850 a year. Details Victoria Fenwick, Aylesford (01-351 2383).



An apartment at Woods Mews, Mayfair, with a roof terrace, 3-car garage and a staff flat, has just sold through Lassmans for close to the quoted price of £695,000 for the 72-year lease.

will also be at 7 Upper Grosvenor Street. An imaginative development that particularly captured the village spirit recently, is in Lees Place, named for a Robert Lee who kept a tavern at the entrance to the mews. Tucked away in a quiet courtyard off North Audley Street in the heart of Mayfair, No. 22 is tastefully converted to 23 studios and one-bedroom apartments by Mark Steinberg, a 25-year-old property entrepreneur who recently set up Marcol Developments in Cambridge Gate, Regent's Park.

The flats were on offer from £49,000 to £105,000 for a 99-year lease. Or one could buy the whole block at £1.75m, or so — which is just what a Middle East businessman did, leaving agents Victoria Mitchell, Savills, and Anthony Margo, Keith Cardale Groves, to deal with disappointed customers.

Surveys on Mayfair Property (free from Peter Wetherell, 47 Upper Grosvenor Street, W1) covers a broad range, from one-bedroom flats over the Milla-belle Restaurant at £65,000 for 49-year leases, similar accommodation in Mount Street, close to Scotts Restaurant, £85,000, to a whole building used by a company as five flats for their directors, £900,000, off Grosvenor Square. (The largest of London's fashionable squares, it covers six acres, and was first laid out in 1695.)

Anthony Lassman, who runs Lassmans 12 Old Bond Street, W1, also reports considerable activity in Grosvenor Square apartments, where Greek and Indian buyers will happily pay £1.4m upwards for spacious accommodation. Lassmans recently sold Christina Onassis' briefly-owned apartment at 15 Grosvenor Square, for close to the asking price of £375,000 for a 50-year lease, and it was not in top condition. Lassman is now offering what he calls "the most inexpensive top-of-the-market pied-a-terre at this exclusive address," a small two-bedroom unit at £190,000. At 48 Grosvenor Square there is also a patio-flat with an indoor swimming pool, £395,000 for an 86-year lease.

GARDENING

The stream at the bottom of my garden

BY ARTHUR HELLYER

WHEN A weatherman announced that this autumn had been the wettest since 1976 I thought how odd it was that the 1984 summer had also been the hottest and driest since that year.

Memories about weather and its consequences can be short and now that we are all complaining about the impossibility of working sloppy soils or caring for slippery lawns I dare say few gardeners consider the possibility that the soil 8 foot or so down may still be dry from the drought.

Two things have called my attention to this risk. First the stream that runs through the bottom of my garden, feeding a pool there, ran dry in mid-August. By early September most of the water had drained out of the pool which relies on the native clay of the site to keep the water in and has no plastic or rubber liner.

The water lilies were left standing up like border plants but fortunately this stage only lasted about a week and they suffered no harm. Then the rain came and the pool filled up again but entirely with surface water, though it was a few days before I realised this.

Then I noticed that there was absolutely no water movement in the stream and clearly the spring which feeds it was not bubbling up. I watched the stream impatiently for water movement to return but it was mid-November when that happened and by then the surface soil was a morass. It had taken two months of intermittent downpour to replenish the deep seated water reserves which force the water to the surface and make the spring operate.

The other reminder of how different things can be below the surface came when I jacked out four old apple trees and found that the soil beneath their roots was still almost completely dry. Precisely the same conditions prevailed after the 1976 drought and I reckon that it then took at least two years for the subsoil water reserves to be completely replenished.

Something very similar has happened this year. The effects of the 1976 drought were to be seen for several years though they were often not recognised as such. One of the odd things about this kind of situation is that it can affect individual branches which lose their leaves and may eventually die and this kind of damage is usually diagnosed as due to disease.

There is not a great deal that can be done to rectify subsoil dryness but by being watchful for the early symptoms of slowing growth and poor colouring foliage one can be ready to take remedial action before too much damage is done. On occasion I have been able to save valuable plants by dragging out a hose to them and leaving it running slowly for several hours.

Some help can be given to plants in distress by mulching in spring or early summer with compost, peat, pulverised bark, manure or anything else that will cut down evaporation from the surface. With big fruit trees it may also help to prune more severely than usual thus reducing the leaf area and consequently the amount of water the trees will evaporate.

But, whether the subsoil is dry or not, there is no doubt at all that in many gardens the topsoil is much too wet. Traditionally land drainage has been done with earthenware pipes laid end to end without overlap or sealant of any kind so that water can seep into the drain throughout its length and flow freely out of the garden. Now a new type of land drain is available which brings the whole process out of the Middle Ages and into the new era of modern technology.

It makes use of a polystyrene material moulded in such a way as to give it great strength and yet allow free passage of water. This core, which is four inches deep and 3 inch thick, is enclosed in a plastic filter fabric named Terran manufactured by ICI. Water seeps through this fabric into the core and then flows along it, provided there is the usual minimum fall for land drains of one foot every 20 feet.

Land Drainer, as this new plastic piping is called, is marketed by Landscaper, a division of BTR Industries, Vincent Square, London. For home garden use it is sold in 15 metre lengths which, because of their flexibility, can be folded into a 24 x 24 x 4 inch pack weighing only 2 lbs. The price is £10.99 per pack and it is suggested that, by the spring, it will be available from various retailers including seed firms and DIY shops.

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BOOKS

Acid drops

BY MARY HOPE

The Collected Stories by Frank Tuohy. Macmillan. £12.95 410 pages

Martin Amis has rightly observed that the short story is still an undervalued form. Why should this be? Consider...

pastures of the Home Counties. where snobbery and social discomfort, that endless source of English inspiration, flourish among the laurels and gravel drives...



Tuohy: tales of the lecture-circuit

Bad man caught

BY ZARA STEINER

The Fourth Reich Klaus Barbie and the neo-fascist connection by Magnus Linklater, Isabel Hillon and Neal Ascherson. Hodder and Stoughton £9.95, 392 pages

Corps. For four years, CIC protected Barbie from his French accusers and when the pressure became too intense, assisted his escape to Bolivia.

sympathy: at all for this specialist in extortion and torture who found such willing employers. Whatever happens to him can in no way compensate for what he has done to others.



Mitterrand: "an aura of ambiguity"

Frenchman who reached the top

BY ERIK DE MAUNY

Le Noir et le Rouge, ou l'Histoire d'une Ambition by Catherine Nay. Bernard Grasset, Paris. 95.00 Fr francs. 383 pages

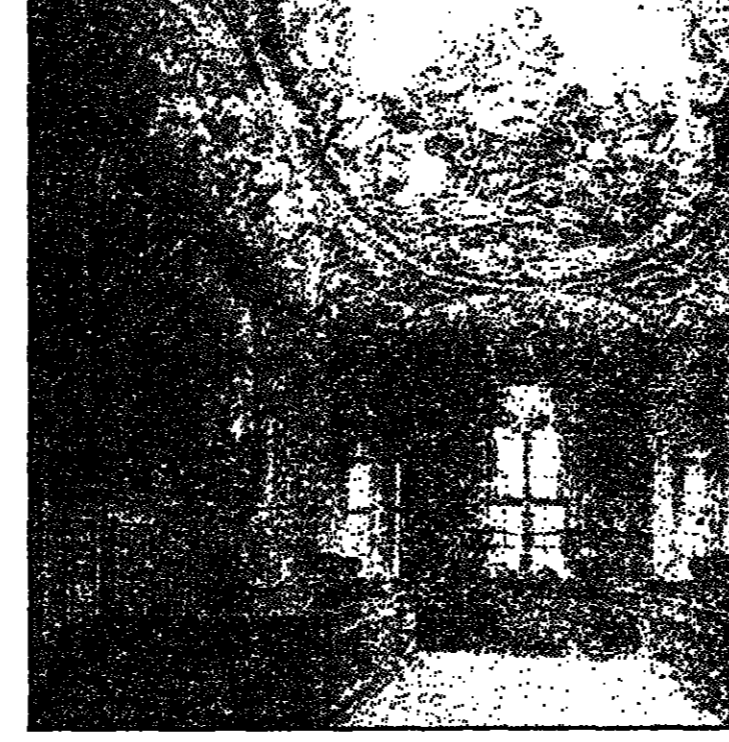
manoeuvres, together with several picturesque interludes: the one constant factor has been ambition.

Lollipop lady's march

BY ANNALENA McAFEE

For aged eight and over, it's Funny When You Look At It (Hutchinson, £4.95, 96 pages) gives absurd verse (shades of Seelie) and marching drawings...

When Lily is threatened with redundancy she travels to London to protest. On her way she becomes a national celebrity and even gets to meet a Royal Personage.



The Queen's Guard Chamber, Windsor Castle, fitted out temporarily as a chapel by George III—one of many sumptuous illustrations in David Watkin's 'The Royal Interiors of Regency England'...

Wheels of youth

BY ISABEL QUIGLY

Down from the Hill by Alan Sillitoe. Granada, £7.95, 218 pages

involved with Americans is, as things turn out, the sure way to disaster.

is called The Ghost of Henry James, so it isn't surprising that he's a celebrator of transatlantic innocence in a very foreign, very gulleful Europe.

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WORKING ABROAD - The Expatriate's Guide by David Young 2nd Edition. Published November 1984. Price: £18.50 UK or \$14/US\$21 overseas (includes p & p)

Maple leaves

BY W. L. LUETKENS

Home Sweet Home: My Canadian Album by Mordcaid Richler. Chatto & Windus/The Hogarth Press. £12.95, 291 pages

Henry Drummond's rather patronising attempt to pay his respect to the French Canadians.

WORKING ABROAD - The Expatriate's Guide by David Young 2nd Edition. Published November 1984. Price: £18.50 UK or \$14/US\$21 overseas (includes p & p)

LEISURE

Antony Thorncroft on how a £297,000 Tang horse may stir a neglected interest

Rich reserves on the chinoiserie shelves

REGULAR VISITORS to that corner of the Victoria and Albert Museum given over to Chinese works of art will have noticed that in recent weeks one of the most striking objects, a magnificent Tang horse, over 2 ft high—and well over 2,000 years old—is being missed. Also gone is the figure of a *gro hóm tetevhówa u* (this groom that watched over it).

The horse is probably by now in the Mount Street shop of A. and J. Spence, a leading dealer in Chinese works of art, who paid £297,000 for it at Sotheby's on Wednesday. The groom went to Cross, another dealer, for £30,000. Both objects had been on loan to the V and A. Eventually the owner decided that she needed some money and sold them at auction.

The disappearance of works on loan to museums and art galleries is a fact of life which would be accepted. The V and A would have liked to have bought the horse but the price was beyond its resources. However, the incident may alert many other British museums to the potential value of the objects in their Chinese galleries.

This is an area in which British institutions are particularly rich. Our commercial adventurers brought back many art treasures from the Far East; in the early decades of this century British connoisseurs built up fine collections, many of which were bequeathed to museums. Unfortunately museum curators are rarely interested in chinoiserie and often the best are poorly displayed. Judicious disposal of second-division items might ease the financial problems of many a museum.

That, at least, has been the experience of Croydon Council

which this weekend is £250,000 richer, thanks to the Sotheby's sale. In the mid-1990s it was left the Bigger collection of Chinese works of art: it has now sold the secondary pieces and will use the money raised to stimulate interest in the more important works, which are on display in the Fairfield Hall.

As in many areas of antiquities the UK's treasures are now mainly safe in museums. Although London still successfully competes with New York and Hong Kong as a market-place for Chinese works of art most of the buyers—and sellers—are from overseas. After the war the Americans took over the British as the great buyers and now, as mortality takes its toll, their collections are being steadily dispersed in New York. Judging by the heavy buying by the Japanese in the past decade, the best new collections are being assembled there. But Chinese works of art remain a relatively buoyant market because of the spread of international buying.

Buoyant but with problems: obviously an area of antiquities which covers 3,000 years of a civilization's ups and downs cannot be treated as a whole. The political question mark over Hong Kong last year undermined the demand for Imperial wares of the 18th century (the favourite purchases of Hong Kong collectors); a seemingly remorseless supply of Tang and Han grave goods of mediocre quality and doubtful provenance, probably exported by the Chinese Government, has deterred modest collectors. As in most markets only items of the highest quality or rarity can command exceptional prices—and quality now seems more important than rarity.



Glazed pottery figure of a harnessed horse, Tang Dynasty

There is also a split between oriental and European and American collectors. The former tend to go for the decorative pieces, such as blue and white Ming; the latter, traditionally, have been interested in more archaic works of art, antique bronzes and the like and export porcelain, produced in China in the 18th century for the European market. The Japanese lean towards early wares.

Recent auctions have reassured the market, in particular the Schloss sale in New York this month which lifted Tang pottery to new heights. A horse, not dissimilar to the one illustrated, went to the London dealer Eskenazi for £346,584. Prices were way above estimate, and all but one of the 50 lots sold. The sale in Hong Kong of the late Dr Ip Yee in November also did well, making £2.5m and with a rare blue and white porcelain, produced in China in the 18th century for the European market. The Japanese lean towards early wares.

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decorators rather than connoisseurs. The sales in London this week did not have many masterpieces but the Tang horse sold right on target, and would certainly enhance a drawing room. Sotheby's auction totalled £1.3m, with over 16 per cent unsold, a good reflection of the current market. There were disappointments: a rare Tang glazed figure of a lady was bought in at £38,000 whereas a similar figure had sold for £108,000 in June. The market is putting in better condition above parity and a May blue and white pattern was unsold at £43,000, well below its £100,000 forecast, because it was damaged.

Over the next few years, there may be hesitations in the demand for 18th century palace wares as Hong Kong collectors worry about the future—and perhaps sell pieces to realise their assets. The attitude of the Chinese Government to exporting antiques is also unpredictable. Generally, however, Chinese works of art have such international appeal that prices should continue to rise. Colin Sheaf of Christie's believes this is an excellent time for the modest collector to enter the market.

His counterpart at Sotheby's, Colin Mackay, agrees, pointing out that Chinese porcelain of the 19th century has become popular in the last decade but is still available for £1,000 or less. Potential buyers might take some encouragement from Mr Riese: a blue and white jar he bought at Sotheby's in 1948 for £40 sold this week for £34,000. A blue and white stem cup he bought on the same day rose in value from £42 to £4,200. It clearly helps to keep the pieces in your collection for some years.



The Not-So-Big Apple: A mid-17th century view of New York

Underneath the sidewalks

ARCHAEOLOGY

GERALD CADOGAN

NEW YORK is dug by archaeologists as well as contractors. Finding remains dating from before the period when the Dutch bought Manhattan called it New Amsterdam is one of the aims.

Up to now the search for Indian remains has yielded little. But the diggers have uncovered some fascinating relics of the late 18th century dating from the great move to Manhattan at the end of the Civil War and into the 1880s.

This year has seen the first North of Greenwich Village. Almost all this work has been done under private contract, and to a deadline, before development which destroys forever the fragile evidence of how people use the city. It is Rescue Archaeology.

This year's new excavation was at 53rd Street and 3rd Avenue in midtown Manhattan—where an office block was to be put up—at the request and under the supervision of the New York City Landmarks Preservation Commission.

The City employs only one archaeologist, so the work is put out to tender and private firms. (Some individuals also bid, especially in the summer as many of them are academics and on vacation.)

It is the developer who pays for the archaeology. Bids are competitive and the final bill may be affected by such factors as the weather or the amount of overtime at weekends, or by discovering unique finds. Final payment comes on delivery of the report that resolves at once a long-standing problem in archaeology—that it is easy to excavate but hard to get the report out.

At 53rd and 3rd there was three weeks' digging in April; the report was ready in September. The whole work cost about

\$35-40,000, which is little enough compared to the over-all costs of the building. Five to 10 archaeologists were working at any one time, wearing hard hats, and being paid \$6,500-8,000 an hour and \$8,000-10,000 for crew chief.

The excavators at 53rd and 3rd had high hopes of Indian remains. The site is by the course of the Bear Mill Stream coming down from Central Park to Turtle Bay, though in 1871 the stream was forced into a sewer. Indians are rather sparse in the region; there is some evidence round the fringe, including by the Cloisters, and in South Brooklyn. On the East Side no settlement remains have yet been found, which may mean that there were no permanent settlements but only fishing stations.

It was hoped also that the first dig in midtown would produce archaeological evidence of the great move up Manhattan that happened from the end of the Civil War into the 1880s, even though 53rd and 3rd was not in a then fashionable part of midtown but industrial.

The documents showed there had been small breweries there—of which there were hundreds in old New York—and suggested that the best places to dig would be in the undeveloped backyards of the brownstone houses. The brownstones took half of their plots. Four trenches were put down in the yards.

No Indian remains were found. Instead, there was a late 19th century use level,

with standard kaolin pottery christened "whiteware," clay pipes, children's marbles, a glass trivet with part of the name of a William C. Child (who is known to have had liquor stores in 1885 where he produced beer iron and wine) and parts of solid chin dolls, which may be identifiable in the catalogues of Montgomery Ward and Sears Roebuck of the time.

The dolls have large bellie and large buttocks. If the were found in a less developed culture or a prehistoric one they would immediately be classed as fertility symbols—surely not the error of archaeologists' ways.

Below the use level was the construction level, most ground brick and rubble, but with a sump with oyster shell one one side and sherds—broken pottery—on the other for two soakaways. Below the was a clay fill level, with a few artefacts mixed all the way through, which was 3m deep to the original land surface.

There is nothing spectacular then, but the test is still a value. It is a beginning, giving a strong sense of the continuity of life in New York to forcing us to look archaeologically at relatively recent advice which we should otherwise take for granted.

So the archaeologists end their reviewing mans' environment. Anyone thinking of planning when an office block opens, in low Manhattan, Goldman Sachs has restored an 18th century priv and a 17th century well at covered them with plexiglass—something to see on appropriate action since Hetty Gold man, excavator of Tarsus, Turkey and Eutresis in Greece was one of the family.

Trevor Bailey on the trials of soccer managers

Hot seats in high demand

UNLIKE PHEASANTS, partridges and grouse, football managers do not enjoy a safe season because they can be shot on any day of the year. It is hard to imagine a more insecure situation.

The latest to be sacked was Alan Mullery of Queens Park Rangers, which was immediately followed by his chairman's aborted frigid flirtation with Don Revie, which made even bigger headlines.

Alan's dismissal was unusual because his team were not in the relegation zone and could, though improbable, reach the final of the Milk Cup and the FA Cup. There were in a similar position to Everton at the same stage last year, when Howard Kendall's post was far from safe, but who finished in glory because the most improved team in the country.

Mullery was unlucky in four respects. He inherited a well above average side from Terry Venables, an outstanding manager. He experienced dissonance in the dressing room and performance on the pitch suffered accordingly. Unlike most managers he was not given a year or so to prove himself. Finally, Rangers are essentially controlled by one man, Jim Gregory, whose record for hiring and firing is high for a First Division club. QPR has had 13

managers since the war. Clubs which are, or have been, dominated by an individual director, have an exceptionally high managerial casualty list. For example, Fulham have had 13 and Crystal Palace have so far noched up 18 since the war. Inevitably the turnover is large among the small clubs which have spent much of their existence struggling in the lower divisions, like Newport County with 16, Bournemouth 15, Brentford 13 and Orient 14.

But this group contains managers who have done exceptionally well and wisely moved on to greener, higher yielding and more secure pastures.

The wise will seek a club with a civilized established intelligent board with share control, which will believe in loyalty and will give this to him. West Ham, Southampton and Ipswich are in that category and it cannot be coincidental that they have had only four, five and six managers respectively since the war and several of these left voluntarily.

The ambitious will go for the high paid top position, with a big club with money, support and star players. Manchester United probably have more talent in their reserves that some have in their first team. In return, the manager has to produce success on the pitch

and if he fails he must accept much of the responsibility.

Anyone thinking of becoming a manager, and there is now shortage of application should realize that he will almost certainly be sacked—least twice and to survive it necessary to be very astute.

So why do so many want it? The post keeps them in the sport which they know or to which they have given a much time, provides drama or is well paid. An astute manager will have negotiated long-term contract.

There is no standard base wage for league managers. Bobby Moore commands £20,000 a year at Fourth Division Southend United. Many First Division clubs are prepared pay a basic wage of £40,000 per annum and a few in excess of £60,000. And there are it perks, plus very big incentive for success gained.

Perhaps, the four most outstanding contemporary managers, all with very different styles, have one thing in common. They have done exceptionally well at clubs with limited supply of money. Terry Venables, Brian Clough, Leurie MacKenzie, Ter Venables is very suave, it quietly efficient, describ Bobby Robson, but they are exceptional.

Cards of Christmas past

"MY BEST Christmas present, I think, was a hippopotamus head, in a cask of wine, with all the meal on it, which my brother Owen sent me from the States," humorous artist John Hassall wrote in *Person's Weekly* in 1905. He added that it was now a coal scuttle.

This sort of understated humour is reflected in much of the work of the Edwardian illustrators and Christmas through the illustrator's eyes is prominent in exhibitions and auctions.

The growth of collector-interest in the works of British illustrators and cartoonists has been a major feature of the art market this year, with prices still generally affordable in the £100 to £500 range.

For something like the rare and sought-after original Arthur Rackham pen and ink sketch for the title page of J. M. Barrie's *Peter Pan in Kensington Gardens*, published by T. F. Unwin in 1906, the Christie Beales gallery is asking £5,500.

John Hassall, with his homely, ray style (he is best known for the now historic 1905 railway poster *Sheepness Is So Divine*, often needed no words to get his point across. In *Lying In Wait* the intentions of the roguish-looking schoolboy leaping over the fence with a giant snowball as

COLLECTING

JUNE FIELD

a large pompous woman hoves into sight, are obvious.

The original pen and ink with grey wash drawing is £550 in the Christie Beales Illustrators' Exhibition, 5 Ryder Street, London, SW1. It runs until December 22, and will be open 10 am - 5 pm each day including weekends.

Among Hassall's pupils at the New Art School that he started with Charles van Havert at Earl's Court Road (later the Hassall School of Art), was H. M. Bateman (1887-1970), probably England's best known humorous illustrator. Among rare Bateman offerings in the Illustrators' Exhibition are 1905 and early 1920 Christmas cards signed with his nickname "Binks".

The amusingly delineated central figure in the 1920s cards (variously costumed as Father Christmas, a Spanish troubador and a killed Scot playing the bagpipes), are obviously based on the chubby-faced, bespectacled writer William Caine. His sketches appear in many magazines, some of which were illustrated by Bateman, who also designed some of the

jackets for Caine's novels.)

As Anthony Anderson, Bateman's grandson by marriage, recorded in *The Man Who Wins* (H. M. Bateman (Webb and Bower) 1952, £9.95). "In many guises he appears, Caine is slightly eccentric, often rather a misfit, but always a delightful character."

Since the publication of the book, and the retrospective exhibition at Robert Stuart's Langton Gallery, Langton Street, London, SW10, Bateman's work has been greatly in demand; and there are about 20 of his mischievous caricatures in Langton's annual exhibition of Great British Cartoons 1980-1984, running until December 21, 10-6, Monday to Saturday.

There is also a good crop of the work of Heath Robinson. Interest in this high priced of household category has increased since Geoffrey Beare's *The Illustrations of W. Heath Robinson* (Werner Shaw, £12.95).

The exhibition of Donald McGill's seaside postcard originals has just finished at Langtons. But they still have some in stock at about £185 each.

McGill (1875-1962), did not specialise only in saucy postcards. Some original signed water-colours, in Christie's South Kensington sale on Monday at 5 pm include early examples featuring a traditional Father Christmas with a cherubic milk asking "Carry Your Baz Sir" and another showing him putting up the stockings on Christmas Eve, and opening one in the morning. Estimates are £150 to £250 each, but Christie's specialist in the works of 18th and 20th century illustrators, Jonathan Horwich, thinks they could go higher.

An amusing new book, *The World of Donald McGill* by Elfrida Buckland (Blanford Press, £8.95), is also helpful for general research and identification.

"A McGill original is easily recognisable by its style and



A 1923 Christmas card by H. M. Bateman

by the caption written on the reverse side of each painting, together with the instructions for the blockmakers and the printers," Mrs Buckland says. She and her husband, Basil, acquired the copyright on McGill's 1972.

Some lesser known names to look for are Lewis Baumer (1870-1963), who concentrated on drawing for *Punch* from the 1920s and was one of the most witty social commentators, and Honor Appleton, active 1900-40, who illustrated Mrs H. C. Cradock's *Josephine* books. There is a charming water-colour of her "Inedrella, and a festive cheekman of Baumer's (1919), both £350 each in Christie's show.

BRIDGE

E. P. C. COTTER

IN CASE you do not already know them, I am going to discuss two bidding conventions, which I play with my regular partners. They are, in my opinion, very useful. Let us look first at the Baron Two Trumps:

A K Q J
J 2
K 13
J 8 7 2
W
A 10 2
J 5
A J 9 7 3
W
Q 8 2
J 2 6 5
K 7 3
A 8 6 2
S
A J 10 7 6
K Q
A Q 6 4
K Q 10

First, I will tell you what happened in actual play, where North and South were not using the convention. North dealt and opened the bidding with one club. South on his 17 points made a forcing take-out of two diamonds, and the opener rebid two no trumps. South now said three clubs. North made a cue-bid of three hearts. South showed his second round control by bidding four hearts. North jumped in six no trumps, and all passed.

East led the ten of diamonds, the declarer was forced to run to his King, but West had the King, and with no way of making 12 tricks without playing on spades, the declarer was defeated.

Now let us assume that we are playing the Baron Two Trumps. This bid cannot be passed, and it shows the qualifications for a forcing take-out with a balanced hand. I open with one club, you reply with two no trumps, and I rebid three no trumps. Over your four clubs I cue-bid the heart Ace, you say five diamonds. I show my spade control with five spades and you bid six no

trumps. The contract, played by the right hand, is on ice.

This is an added bonus—the real advantage of the forcing two no trumps is that it saves from making a forcing take-out on a four-card suit with a balanced hand.

We shall now examine the other convention, Fourth Suit Forcing:

A K Q J
J 2
K 13
J 8 7 2
W
A 10 2
J 5
A J 9 7 3
W
Q 8 2
J 2 6 5
K 7 3
A 8 6 2
S
A J 10 7 6
K Q
A Q 6 4
K Q 10

In this hand, again from rubber bridge, South dealt with neither side vulnerable, and bid one heart, to which North replied with one spade, and South rebid two clubs. At this stage, if he and his partner are not using this convention, North cannot say anything other than three clubs, and this may not inspire South sufficiently to bid the game.

But when you and I are playing together, I say two diamonds—Fourth Suit Forcing. This bid promises nothing in diamonds, but it announces that I hold some 10 to 12 points, and am asking you to describe your hand further. On this occasion, with a double guard in diamonds and a good opening bid, you jump to three no trumps.

West leads the diamond Queen, which must be allowed to win. You have two stoppers, it is true, but you have to lose the lead twice in setting up your clubs, so the hold-up is essential. You win the second diamond, and lead a club. East wins, but he has no diamond to return, so he leads back a heart. You play your Ace, and lead another club. West wins, and can cash his heart King, but then the pils are closed.

Of course, if West holds both club honours, the contract fails.

Why the gold went to Moscow

ANALYSIS OF the chess olympic results shows that a single match ultimately did much to send the gold medals to Moscow. Before the Salonica world team championship began, many commentators thought the Soviet team without Karpov and Kasparov would have difficulty finding off the expected strong challenge from the U.S., Hungary and England.

In the event, these four teams finished well clear of the rest, justifying the seedings based on FIDE ratings. Matches among them had their full share of incident. The Russians lost to the Americans for the first time ever, with the decisive point scored by the ex-Russian, Dmitri Shashvili, who beat the Soviet top board Belyavsky in a marathon of 80 moves. England won against the U.S. after remarkable sacrificial play where Nunn gave up a queen and Mestel a rook, but England lost to the USSR from a winning position when Miles and Short went astray in the final session.

But it was the third round match USSR v Hungary which had a decisive effect, giving the Russians their best-ever start in Olympic play and discouraging the English and Americans.

The Hungarians fielded a world class quartet of grandmasters—Portisch, Rubin, Adorjan and Sax, and on known form expected to lose by 1-2 at worst. Instead, Hungary suffered their first-ever 1-1 defeat in Olympic play. The victory gave the Soviets a massive lead which they never relinquished, while the losers finished out of the medals.

In team play over four boards an early positive result had an effect on other games, putting the losing players' colleagues under extra pressure. So it happened in USSR v Hungary. When the solid Adorjan, who draws often but rarely loses, was allotted to defeat with most

CHESS

LEONARD BARDEN

of the pieces still on the board, the other Hungarians all weakened; this was perhaps the golden game of the olympics.

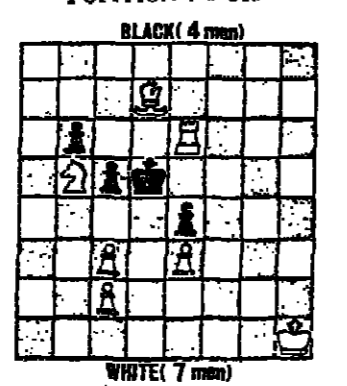
White: R. Vaganian (USSR). Black: A. Adorjan (Hungary). Catalan (Salonica 1984).

1 P-Q4, N-NK3 2 P-QB4, P-K3 3 P-KN3, B-N3 ch: 4 B-Q2, Bx8 ch 5 Qx8, P-B4.

The normal, probably sounder, plan is P-Q3, QN-Q2, Q-K2 and P-K4.

6 B-N2, Q-O: 7 PxP, Q-B2? After this artificial move, which evokes White's strong reply, Black is already in difficulty with his queen stranded out of play. Better is 7... N-R3, planning to recapture with the knight, when 8 P-QN4? is well countered by N-KN5: 9 Q-Q4,

POSITION No 546



WHITE (7 mm)

Thipsay v Retievic, Asia v Yugoslavia 1964. Black (to move) had sacrificed a pawn for attack, and now offered queen and knight by the spectacular 1... N-B6.

Does Black win, lose or draw, and how should the game be?

8 Q-Q8, Q-R4 ch: 9 N-B3, N-R3: 10 N-R3, Q-N5: 11 Q-Q2, NXP: 12 R-QB1, R-N1.

The capture 12... QxBP? loses at once to N-Q5.

13 Q-O, P-QN3: 14 P-R4! As a result of Black's artificial development, White can pressurise the weak backward queen's pawn.

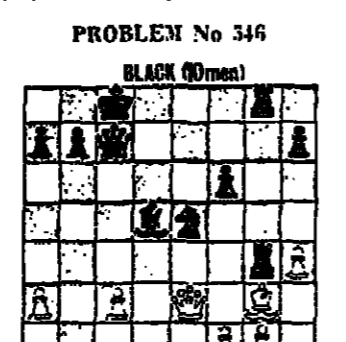
15... B-N2: 16 P-R5, N-N5: 16 Q-K2, BxB: 17 KxB, N-KR3: 18 KR-Q1, N-B4: 19 N-KN5, P-KR3?

This and the next move fall into a hidden trap: Black's final chance for active play is N-QR5, 20 N-B3, KR-Q1?

At first glance, still an innocent position with much play to come; but now White wins queen or knight by a forced sequence.

21 P-QR3, Q-N6: 22 P-N4, N-K2: 23 N-Q4, N-N3: 24 K-N3, Resigns. White's last easily stopped the trap 24 NxQ? N-B3 ch.

PROBLEM No 346



WHITE (11 mm)

In actual play, neither Black, a grandmaster, nor White, an IM, solved the puzzle.

Solutions, Page 16

White nightmares

THE ANNUAL dream of a white Christmas—usually taken for granted in the mountains of Austria—is gradually turning into a potential nightmare. To put it bluntly—there is no snow. While poor snow conditions in mid-December are not uncommon, a complete absence of snow is virtually unheard of.

Early skiers, desperate to find somewhere to ski are flocking to the glaciers where ironically snow fell plentifully at just the right time—the end of September. Though business is extremely brisk above 9,000 ft with as many as 7,000 people swarming onto each of the Tyrol's high altitude slopes like Hinterux, Stubai and the newly opened Pitztal, refuges from traditional resorts like Mayrhofen, Alpbach and Ischgl where there is currently no snow at all.

Only two "normal" non-glacier resorts—Ischgl and Kuhtai—have the barest minimum snow to open some lifts. This could be the year when those snow guarantees may be a vital part of your holiday.

National Holidays, which has

SKIING

ARNOLD WILSON

brought us to the Tyrol for some pre-season skiing, offers up to £5 a day inwards transport to higher slopes if there is insufficient snow in your destination resort.

Normally this would just mean transferring to a higher resort. But in the rare event of no snow at all National's resorts—Hoheleithal, St Johann, Wildshonau and Ischgl—are all within reasonable distance of good though crowded crowded glacier skiing. Pitztal—opened a year ago—has an underground cable train that whisks you Disney World style to the glacier in seven minutes. Meanwhile lower down the slopes it's an agonising wait.

Brigitte Hahreder from the tourist office in the low-lying resort of Nerdau (2,500 ft) cannot remember it falling to snow by now during her tender 21 years.



"We are sending early cues to the Hintertux glacier," sl says. It's a two hour journey. The real crunch will come when the trickle of skiers turn into a flood in a week's time. Meanwhile phones from Brits to 11-831s all over Europe "it cold" lines—are humming with calls asking whether it snow has arrived yet.

Until it does guests will either have to crowd on to the glacier where there is good snow at beginner slopes—or sit tight in their hotel rooms watching videos of what the resort should look like at this time of year.

Why the industry is fearful

By Eric Short and Clive Wolman

Celebrating a bad patch

SIR PETER MIDDLETON, the permanent secretary of the Treasury, is sending out an engaging Christmas card this year of an allegory of Good Government. The picture, by Ambrogio Lorenzetti, a 14th century Sienese, shows an orderly scene of a wise ruler attended by the cardinal virtues...

SENIOR managers, policemen and civil servants were all reported this week to be contemplating early retirement. This sudden rush for the exit was sparked off by widespread fears that the Chancellor was about to change the rules on pension schemes in his next Budget by hitting the currently tax-exempt lump sum which employees receive as part of their benefit.

vestment income over £2,000 and the lump sum exemption over £5,000. This is partially offset by the 10% income tax on pension benefits. The Chancellor's intention that there was no plan for anyone to be affected and that there would be a 10% specific legislation possibly means that any changes would be phased in over a period of several years, extending until 2025, at least, in order to remove any element of retrospective legislation.

sale of assets by tax paying investors to tax exempt pension funds shortly before the half-yearly taxable dividends are paid—such are then bought back again afterwards. This anomaly could be removed only by taxing the investment income and capital gains of pension funds. It would be possible to tax the lump sum without retro-spection by dividing each payment according to the length of service of the employee before and after a cut-off date, say April 5, 1983. Only the portion of the lump sum attributable to employment after that date would be subject to tax.

It is odd, then, at first sight, that the stock market has never been in better shape. Government stocks, perhaps symbolically, have been weak, but "quites" and, indeed, the government's own indexed stocks are ending the year at their highest levels.

IAN McPHAURESTALL, aged 54, is an executive director of a small company, Greasy Widgets, whose fortunes were last discussed on these pages on March 17, writes Clive Wolman. His wife, Lorna, aged 49, is also employed by the company to work as his personal assistant and secretary which allows her to do most of her work at home.

How Ian and Lorna could make a small fortune

Table with columns: BEFORE, AFTER, IAN, LORNA. Rows include Total income, Pension contribution, Taxable income, Tax payable, National Insurance, Net income, and Net spendable income.

To receive this figure, Ian would need to invest nearly £22,000 a year over five years. This could be achieved by his agreeing to sacrifice £15,000 of his salary which would then be invested on his behalf in the pension scheme free of tax. This would be in addition to the £2,000 of contributions per year already being made.

Implications To be sure, the signs are unusually difficult to read. The rush for British Telecom was such a financial tidal wave that it will be some time before monetary soundings can be regarded as reliable. All the same, there is a suggestion in the market's reaction that the figures are believed, that they confirm the inflationary implications of weak sterling—and that investors are not unduly worried.

The prospect of moving home leads the couple to ponder their longer term financial future and they begin to worry about their poor pension provisions. So to discuss their problems, they invite over George Miles, the finance director of Greasy Widgets and a tax adviser of great enthusiasm.

time, I think we can arrange for you to give a tax-free lump sum together of about £120,000, that's after you've repaid your mortgage," George announced. "And what is more, you will not have to cut back at all on your standard of living."

He could take it without even being obliged to retire. Ian expects his salary to increase by about 7 per cent a year over the next five years, provided Greasy Widgets continues to thrive. With a slightly more generous increase in the last year, but not enough to incur the wrath of the Superannuation Funds Office, his final salary would reach £90,000 and maximum lump sum £135,000 free of tax.

Alternative First, though, the political scene. The sweeping victory by the stay-at-homes in the infield Southgate by-election has almost exactly what was precast by every level-headed politician; and this means that it will not change the political scene in the least.

Although both Ian and Lorna have been working for Greasy Widgets for 16 years, the company has been struggling until recently and their pension entitlements are poor. Lorna has no company pension rights, and her salary is only £4,853 a year. Ian's pension from Greasy Widgets should, on current funding rates, be worth about half his final salary when he retires, five to ten years hence. But he has no additional entitlement to a lump sum payment on retirement.

Liability of directors

from Mr A. Whalley Sir—Your leader of December 13 is misguided in relation to a disqualification and personal liability of directors. What we needed was a more satisfactory way of making a minority of delinquent directors personally liable under existing law. What we got was an arrangement whereby a majority of honest folk will be deemed guilty until they have paid most of whatever they have left proving they are innocent.

Letters to the Editor

additional resources which must be made available in engineering education and training if British industry is to survive and prosper. It is to be hoped that the need for more and better trained chartered and technician engineers and the resource implications are not lost sight of in the smoke of the present political battle. (Professor) B. Crossland Queen's University, Belfast.

Seven coins will suffice

From Mr M. Swales Sir—A Bath University team under Dr D. Gullum, in the course of their work on quite a different matter, has established that with just seven coins of different values, viz 1p, 4p, 9p, 16p, 25p, 36p, 49p, every amount may be paid exactly using at most four coins. The greatest amount in consecutive series would be £162, the obvious £204 could be paid by adding over four 51p coins, though not, for instance, £205, so the consecutive series beyond £162p breaks down.

Scrooges: When are you going to part with some of that money you're making? Well, isn't it time you made a donation to charity? Isn't it time you gave to others less fortunate than yourself? After all, we know you can afford to give handsomely.

Help for rural areas

from the Director of Planning, Yorkshire Metropolitan County Council. Sir—I could not help but notice the reference (November 21) to "Counties seek aid for rural areas." It may appear surprising to many readers that one of the much-maligned metropolitan counties is also involved in the new rural development programmes. Here in West Yorkshire, the metropolitan county council has provided the secretariat and staff to work with the two district councils, COSIRA, English Estates and the Yorkshire Rural Community Council to produce an RDP for the Doncaster area covering Todmorden, Ledben Bridge and Marsden. This will be submitted to the development commission in the next few weeks.

Life companies' market?

from the Chief Executive, Benefits Marketing, Stewart Wrightson Benefits Consultancy. Sir—Your headline on December 5 stated "Only life companies should market personal pensions." In their evidence to the Norman Fowler Inquiry, the representative bodies of the life companies have apparently made this recommendation. So now the truth is out! The life companies' general support for the personal pensions concept is now seen for what it really is—an opportunistic attempt to recoup in the form of individual insured pension policies the large amount of investment lost to pooled and segregated fund managers.

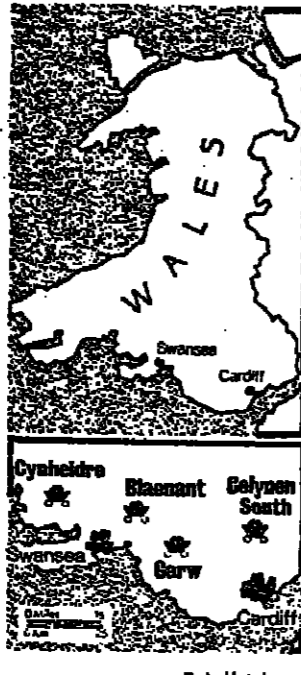
Environmental concern

From Mr R. Baxby Sir—Dominic Lawson's interesting article (December 5) on the East Midlands oilfields, might give the misleading impression that residents of such celebrated areas as the Vale of Belvoir are unconcerned about their environment. This is certainly not the case. The Vale of Belvoir Protection Group has never opposed any exploratory drilling applications, because it considers that it is in the national interest

Man-management training From Mr P. Veivers Sir—Bearing in mind the state of British industry, the recent remarks of Sir Michael Edwards about British management and the fact that we have just had 25 years of "the age of the management consultant," is it not time that some serious attention be given to the subject of how industry and, especially, the people in it are managed? I am totally convinced that we need a National Institute of Leadership and Management; and that anyone managing more than 50 people should be subjected to rigorous selection and training in man-management matters. Peter Veivers, 15, Market Place, Warrminster, Wilt.

Handwritten signature or note at the bottom of the page.

DURING THE 1929 coal strike in South Wales, a local press photographer captured a haunting image in the main street of the village of Garw.



Bob Hutchison

SOUTH WALES MINERS



Between the twin rows of low cottages march three working miners, or "scabs," as they were to their neighbours, who stand watching from the doorways in sullen fury.

The three men, in the working clothes of 55 years ago, and with the coal dust of their shift still on their faces, for that was before the era of pithead baths, look nervous, as well they might, at the same time they look jauntily in the defiance.

Excommunication and heretics in the valleys

By Godfrey Hodgson

transcendence to understand them may also help to understand their brothers in other parts of the country.

can't get out at the top without ropes," says Philip Weekes, the National Coal Board's area director for South Wales, a man whose experience goes back to the days of the Tredegar Coal company before nationalisation.

more recent events have preserved the militancy of the mining villages when in other working class areas it has all but disappeared.

McGeary put it. So morale was high. But there are also more mundane reasons why union discipline has held firm.

Weekend Brief

Now it's real whisky

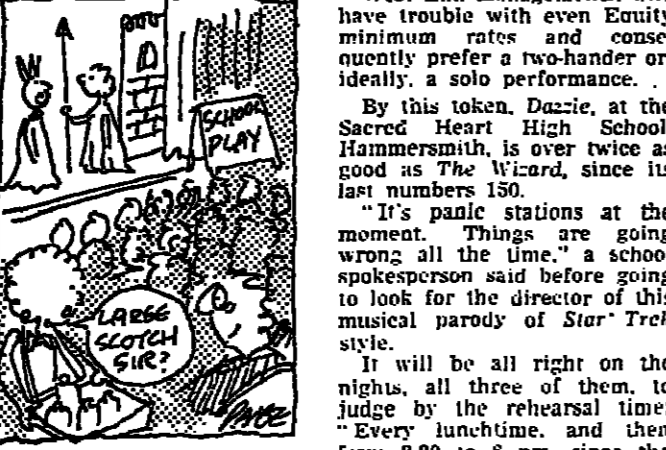
Purists such as real ale enthusiasts will appreciate a new purism emerging in Scotland. The success of the Scotch Malt Whisky Society in Edinburgh should be enough to revive the spirits of the whisky industry which has been going through a rough sales patch.



the best interests of the mass market. The malt is "chill-filtrated" to remove the cloudiness that results from this process.

Shows of the year

THE sets had wobble. Scenery changes may be noisy, even taking place with no human intervention—while the actors are actually reciting their lines.



Jack Forsyth, is a former musical adviser to Ken Russell. The overall director, Sydenham's answer to Peter Hall, is Colin Dean, the school's head of drama.

side gives this popular eight-year-old its jaunty name. The newsletter says of the first cask of number eight.

West End managements, who have trouble with even Equity minimum rates and consequently prefer a two-hander or, ideally, a solo performance.

gas leak are stretching already strained resources. India has more than 9m blind people among its 700m population (nine times as many as the UK, proportionate to population).

in Bhopal THE THREATS of blindness for about 1,500 of the 70,000 people who have been treated for eye problems in Bhopal since the

dropped from a bridge. But there is no need for violence. The union knows how to apply the massive moral force of a code that is still generally accepted in the valley communities.

There is, for example, only one man working at the Pharmacie coking plant in A... At a meeting this week, in the presence of Arthur Scargill, the lodge chairman called on all members to "make the man's life hell."

Union loyalists in the valleys feel towards men who work during a strike rather as our ancestors felt about heretics. There is the same mixture of tender concern as long as there is any hope of saving the backslider, followed by pitiless punishment once he has impudently rejected not only his own but the community's salvation.

Toys and games A pursuit that is not so trivial

By David Churchill, Consumer Affairs Correspondent

TRIVIAL PURSUIT, a board game based on inconsequential general knowledge questions, is now the fastest selling game on both sides of the Atlantic. And in the UK it is spearheading a return to more traditional pursuits in the toys and games market this Christmas.

create a product and build a demand through advertising. Such product ranges are then extended to capitalise on a short-term demand surge. Selling detergents, say these companies, is no different from selling dolls, the marketing is right. Typical of this new breed is Mr John Harper, a former Procter and Gamble marketing executive, whose current job as marketing director at Paltov has been to launch Trivial Pursuit.

BUILDING SOCIETY RATES

Table with columns for Share, Sub'n, and Others, listing various building societies and their rates.

UK COMPANY NEWS

Plane sales to lift Intasun earnings

THE INCLUSION of capital profits in the second half will enable Intasun Leisure Group to increase its earnings for the year ending March 31 1985, and the directors are raising the interim dividend from 1.8p to 2p net.

travel division carried 804,000 passengers in the first half, representing a rise of 43 per cent in volume over last year, at the same average load factor of 96 per cent.

On prospects for next summer, brochure prices allow for improved margins compared to 1984, which will be less exposed to fluctuations in the currency and fuel markets as a result of withdrawing the no surcharge guarantee.

178.9m. After tax 55.9m (£4.1m) and minorities 57,000 (nil), the attributable profit balance came to £10.5m (£15.92m) for earnings of 20.3p (30.5p) per share.

Lower crop and higher levies hit Brit. Sugar

British Sugar, a subsidiary of S & W Bernersford, reports a fall in full year profits from £64.2m to £61.7m, reflecting in particular the company's 70 per cent lower crop and higher levies.

Euroferries raising £20m by preference share issue

Euroferries Deck and Railway, a subsidiary of Euroferries, yesterday raised £20m of development capital in the City by the unusual vehicle of an issue of participating preference shares.

European Ferries, said that this route was an attractive, low risk way of enlarging Felixstowe Docks' capital base without giving away too much in equity participation.

United Spring sees prospect of dividend

The recovery at United Spring and Steel Group has continued, and for the year ended September 30 1984 the group has produced a pre-tax profit of £275,000 following the £30,000 of the first half—compared with a loss of £280,000 in the previous year.

Initial over £14m at midway

Initially, the laundry and cleaning group, pushed first-half taxable profits up from £13.56m to £14.37m and has raised the interim dividend to 4.75p against 4.35p.

The directors say that the Australian contract cleaning business, General Contract Cleaners, has been sold. On the acquisition front, initial in August purchased Liam's NV, an Amsterdam-based textile rental company.

Monopolies Commission decides the fate of the BET bid. To be fair, UK workwear rentals have taken a knocking from the miners' strike and the continuing recession in the heavy manufacturing industry.

Knitwear boost for Richards

Improved marketing for all products and the significant contribution from the knitwear yarn division helped Richards in its recovery to a profit of £507,000 for the year ended September 30 1984, against £36,000. Earnings were 2.79p (1.17p) and the final dividend is 0.95p for a total of 1.45p net (0.75p).

Touche Remnant restructure

Touche Remnant, the UK fund management group, is restructuring its links with its owners, a consortium of 10 investment trusts, for whom it manages funds.

about 35 per cent next year, and a further 24 per cent the year after. In return their stakes in Touche Remnant, which has £2.4bn funds under management will be bought out.

John Hancock Insurance and National Bank of Detroit. The costs of the changes will hit some of the consortium investment trusts harder than others, reflecting different degrees of specialisation which were introduced by Touche Remnant in 1982.

Pineapple up at £209,000 despite delays

DESPITE DELAYS in the opening of its new dance centres, Pineapple Dance Studios has achieved taxable profits of £209,000 against £156,000 for the year ended June 31 1984.

Norton Opax in takeover talks

Norton Opax, the literary printer, yesterday began takeover talks with another specialist printing company, Sir Joseph Causton & Sons, which could lead to a bid worth around £11m in shares.

John Booth downturn to £62,000

While turnover of structural and welding engineer, John Booth & Sons (Bolton) was static at £5.2m, against £5.44m, pre-tax profits fell from £110,000 to £82,000 for the six months to September 30 1984.

Pifco withdraws from £10m deal with BSR

Pifco Holdings, the manufacturer of electrical houseware appliances, has withdrawn from negotiations to buy Swan Housewares from BSR International.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Imperial Chemical Industries is to expand in America via its largest acquisition for some 13 years. ICI is paying \$750m (around £625m) for Beatrix Chemicals which manufactures high technology composite materials and formulated plastics used for aerospace, defence and electronic applications.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like Alphameric, Alpine Soft Drinks, Arlington Motor, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Lists companies like Assoc Paper Ind, AE, Baldwin H. J., etc.

BIDS AND DEALS IN BRIEF

Powerline International has agreed to acquire Newsteck Communications. Consideration will be satisfied by 1.41m ordinary shares in Powerline, which on December 12 1984 had a market value of about £3.4m.

RIGHTS ISSUE

Birmingham Mint—To raise £1m through a three for ten rights issue of 612,739 new ordinary shares at 175p per share.

SCRIP ISSUES

Mcleod Russel—One for three. Candover Investments—Placing of 1.7m shares at 160p per share for a full listing.

RIGHTS ISSUE

Birmingham Mint—To raise £1m through a three for ten rights issue of 612,739 new ordinary shares at 175p per share.

RIGHTS ISSUE

Birmingham Mint—To raise £1m through a three for ten rights issue of 612,739 new ordinary shares at 175p per share.

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

IT HAS NOT been an easy year for Grand Metropolitan. The group is expected to announce on Thursday a comparatively steady rise in taxable profits from £255.2m to between £300m and £340m for the year to September...

With volume remaining rather flat, Distillers is expected to attribute most of its trading improvement to cost efficiencies. Price increases and the strong dollar, when it announces half-year figures to September on Wednesday...

Scottish and Newcastle Breweries is expected to report that both occupancy and room rates have risen strongly in its Thistle Hotels chain when it announces results for the first six months to October on Monday...

Table with columns: Company, Announcement, Dividend (p), Last year, This year. Lists various companies like Aspnall Holdings, Brunner Investment Trust, etc.

Table with columns: Dividends announced, Current, Date of payment, Dividend, Year, Total. Lists companies like Continuum Stat, Davenport Brewery, etc.

Table with columns: Bank Return, Wednesday, December 12, 1984, Increase (+) or Decrease (-) for week.

Table with columns: Banking Department, Liabilities, Assets, etc. Shows financial data for the banking department.

Table with columns: Issue Department, Liabilities, Notes issued, etc. Shows financial data for the issue department.

Storage Technology rescue plan rejected

A FEDERAL bankruptcy judge in Denver has rejected a \$140m loan plan which was intended to rescue Storage Technology, the U.S. computer equipment manufacturer...

However, the court ruled that the terms were too favourable to the finance subsidiary, and a strike hit the company's main subsidiary...

FCA liquidity on the mend

FINANCIAL Corporation of America (FCA), the parent of the biggest U.S. savings and loan association, has taken another step in its return to financial health...

American Savings suffered a major run on its deposits earlier this year and as a result went below the required liquidity levels of 5 per cent of its assets...

Over the same period FCA has sold \$3bn of Government National Mortgage Association certificates at an unspecified profit...

ICI burns midnight oil to win Beatrice deal

By Paul Taylor in New York

MR DAVID NASH, ICI's acquisition manager, took another sip of coffee from his new 'snoopy' mug bearing the inscription 'this has been a good day' and chuckled...

major U.S. takeover of Atlas Chemical Industries in 1971. Beatrice, a number of the U.S. food and consumer products group, put its chemicals business up for sale earlier this year...



Dr Brian Smith: 'Dead chuffed' over the deal

October become one of six finalists. At this stage the UK chemicals group set up a New York-based business team of 'investigators' to visit the sites, talk to management and find out about commercial and other aspects of Beatrice's chemical operations...

Last Sunday morning Mr Nash and the others returned to the U.S. by Concordia to prepare for meetings in Chicago which would set the final terms of the deal. Those meetings—attended by ICI's negotiating team with their advisors including Smith Barney, the Wall Street investment bank and Davis Polk & Wardwell, the legal firm—dragged on into the early hours of the next four mornings...

Arco in \$22m anti-trust payout

ATLANTIC RICHFIELD, the Los Angeles-based oil group, has agreed to pay \$22.5m to settle its part of a nine-year-old anti-trust suit charging seven major oil companies with conspiring to underpay the state of California and the city of Long Beach for heavy crude oil pumped from public lands...

The surprise settlement means Arco has broken ranks with the remaining defendants in the price fixing case—Mobil, Chevron, Texaco, Unocal, Exxon and Shell Oil. The agreement was disclosed in Federal court before senior judge William P. Gray...

Arco said its costs to date have amounted to more than \$20m. Mr Kenneth Cory, Controller for the State of California, said the companies had been offered a package settlement of \$254m in total damages but all except Arco had rejected the offer...

Mitsui subsidiaries help lift interim earnings

By Our Financial Staff

MITSUI, JAPAN'S second largest trading house, has reported a fourfold increase in consolidated net earnings during the six months to September 30, from ¥1,070bn to ¥4,460bn (\$18m), translating into an increase in profits per share from ¥108 to ¥453. Sales were up from ¥7,764bn to ¥8,490bn...

Japan's leading computer maker, has reported a 48.4 per cent rise in consolidated net income for the six months to September 30, from ¥25.4bn to ¥37.7bn. Income from consolidated subsidiaries more than doubled from a year earlier. Consolidated sales rose 33.4 per cent to ¥706bn from ¥529bn a year earlier. Earnings per share rose to ¥29.14 from ¥22.91...

Zanussi takeover completed

By James Buxton in Rome

ELECTROLUX, the Swedish industrial group, yesterday became the biggest single producer of domestic appliances in Europe with the formal completion of the deal giving it control of Zanussi, the troubled Italian appliance maker. At a shareholders' meeting in Pordenone, in north-east Italy, Electrolux took a 49 per cent stake in the capital of Zanussi...

Electrolux concludes negotiations which have gone on for about a year. Despite its good brand image and marketing organisation, financial mismanagement and ill-considered expansion into electronic products had pushed Zanussi into heavy losses. It took many months to conclude the transaction because of the insistence by Electrolux that Zanussi's bank creditors reschedule the company's extensive debt...

of the European market for domestic appliances or white goods. Under the agreement, Zanussi's capital was written down from L80bn (\$42m) to L40bn, and then raised to L100bn. Of this, Electrolux has taken 49 per cent. The Swedish company will also subscribe to a L100bn issue of convertible bonds which will eventually give it 75 per cent of Zanussi. The remaining shares have been taken up by the regional government of Friuli (10.54 per cent); by Mediobanca, the Milan merchant bank, Fiat, IMI (the long term finance concern) and Credipol (each with 8.17 per cent); by Ebanca (4.3 per cent); and by the Zanussi family (2.8 per cent).

Swiss engineer expects full profits recovery

By John Wicks in Zurich

FULL profits recovery is forecast by Landis and Gyr, the Swiss electrical engineer, for the year ended September, 1984. Profits are expected to emerge at SwFr 60m (\$23.4m) an increase of 25 per cent over the SwFr 48m of the previous year. Profits totalled SwFr 68.7m back in 1979-80. Cash-flow improved last year following an 8 per cent improvement in sales to almost SwFr 1.33bn. The value of new orders jumped by 13 per cent to SwFr 1.42bn.

Merrill seeks Tokyo SE seat

Merrill Lynch yesterday formally applied for a seat on the Tokyo Stock Exchange—the first time a foreign broker has done so, writes Our Financial Staff. Merrill is thought to be only one of several applicants for a vacancy created last September when Yamachi Securities decided to merge two of its subsidiary broking houses. Although the Tokyo Stock Exchange amended its rules two years ago to allow foreign membership, no non-Japanese firm has yet been able to join. The U.S. government has sought to put pressure on Japan

Chicago options extended

Chicago Board Options Exchange (CBOE) has fled with the Securities and Exchange Commission to trade options of foreign currencies, Reuters reports. CBOE chairman Mr Walter Auch said there will be 'substantial' differences between the proposed CBOE options and those currently traded at the Philadelphia Stock Exchange. The CBOE's contract will be twice as large as that of Philadelphia options, and will be the first 'European' style option, meaning they cannot be exercised until the last trading day, Mr Auch said. Five currency options are planned in the following units: 25,000 British pounds; 125,000 D-Marks; 125,000 Swiss francs; 12,500,000 Japanese yen and 100,000 Canadian dollars, the CBOE said. The contract size and expiration dates coincide with currency futures traded at the International Monetary Market. The options will expire on three, six, nine and twelve-month terms and trade on the March cycle.

Asea takes stake in robot maker

By David Brown in Stockholm

ASEA, the Swedish electronics engineering and electronics group, is negotiating to buy a 51 per cent stake in the robotics division of Traiffo of Norway. Traiffo Robot is a leading manufacturer of specialised paint-spraying units and has sales of some Nkr 100m (\$11.2m) in Europe. It also has licence agreements with manufacturers in the U.S. and Japan, which bring its total annual production to about 600 units. Asea Robotics, with sales of about Skr 800m (\$80.5m) is a leader in arc welding, materials handling, machine tending and finishing robots.

Table for Hambros Bank Unit Trust Managers Limited showing H.B.L. EUROPEAN and H.B.L. EQUITY INCOME performance for 1984.

HARVARD RECORD PROFIT OF £125M. Table showing 1984, 1983, and Increase for Turnover, Pre-tax profit, and Earnings per share. Includes highlights from the Chairman's Statement.

WESTAVON SECURITIES (GUERNSEY) LTD table showing Bid, Offer, and Change for various securities.

CAPITAL STRATEGY FUND LIMITED table showing various fund performance metrics.

Granville & Co. Limited

Over-the-Counter Market table listing various stocks and their prices, including 1983-84 and 1984 data.

GROFUND MANAGERS LIMITED table showing Bid, Offer, and Yield for various funds.

MONTAGU table showing Bid, Offer, and Change for various securities.

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WORLD STOCK MARKETS

NEW YORK

Table of stock prices for various companies in New York, including AMCA, AMP, AMR Corp, etc.

STOCK

Table of stock prices for various companies, including Chubb, CIGNA, CINCINNATI MILC, etc.

STOCK

Table of stock prices for various companies, including Grumman, Gulf & Western, Gulf States, etc.

STOCK

Table of stock prices for various companies, including Monolithic Mem, Moore McCormack, Morgan J.P., etc.

STOCK

Table of stock prices for various companies, including Schlumberger, Smith Barney, SMC, etc.

WALL STREET

Text article titled 'Dow Jones slightly up mid-session' discussing market trends and stock prices.

CANADA

Text article titled 'Dow Jones slightly up mid-session' with a focus on Canadian market news.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weaker

The dollar eased in currency markets yesterday in relatively quiet trading. Early corporate demand had pushed the dollar firmer but it fell back on signs of open market intervention by the Bundesbank. It recovered soon afterwards however, being fixed at DM 3.1100 in Frankfurt and touching a high of DM 3.1105. However the lack of volume allowed the dollar to fall back with equal ease and it finished at DM 3.0990 down from DM 3.1040 on Thursday.

The weaker trend later in the day possibly reflected revived speculation over a further reduction in the U.S. discount rate and this acted to offset a rise in U.S. industrial production announced yesterday and higher retail sales released on Thursday. The softer trend was also accelerated by a sharp decline in U.S. M1 money supply. Sterling recovered from earlier losses to finish up on the day although this was not fully reflected in the Bank of England's closing index which fell in New York.

Table with columns: Dec 14, Prev. close, % change. Lists various currencies like Argentina, Australia, Brazil, etc.

OTHER CURRENCIES

Table with columns: Dec 14, % change. Lists currencies like Argentina, Australia, Brazil, etc.

EXCHANGE CROSS RATES

Table with columns: Dec 15, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, etc.

STERLING EXCHANGE RATE INDEX (Bank of England) Dec 14 Previous. Lists rates for 3.30 am, 9.00 am, 11.00 am, Noon, 2.00 pm, 3.00 pm, 4.00 pm.

POUND SPOT-FORWARD AGAINST POUND

Table with columns: Dec 14, Day's spread, Close, One month, Three months, Six months. Lists rates for U.S., Canada, Netherlands, Belgium, Denmark, Ireland, Portugal, Spain, Italy, Norway, Sweden, Japan, Austria, Switzerland.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns: Dec 14, Day's spread, Close, One month, Three months, Six months. Lists rates for UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger, Portugal, Spain, Italy, Norway, Sweden, Japan, Austria, Switzerland.

Little change

UK interest rates were little changed on balance yesterday with shorter dated easing slightly and longer term money slightly more expensive. Short-term rates were influenced by the easy credit conditions prevailing in the overnight market while long-term rates reflected a slight increase over the recent performance of sterling. However, trading levels tended to reflect the proximity of Christmas and the New Year and there was little in the way of fresh factors to influence the market.

Three-month interbank money was quoted at 8.91 per cent, compared with 8.91 per cent, while three-month eligible bank...

UK clearing banks' base lending rate 9 1/4 per cent since November 23.

ills were bid at 9 1/4 per cent, compared with 9 1/4 per cent. Weekend interbank money opened at 9.91 per cent and rose to 9 1/4 per cent before slipping to 7 1/2 per cent. Later balances commanded up to 9 1/4 per cent but rates fell away in the afternoon to around 8 1/2 per cent.

The Bank of England forecast a shortage of around £200m initially but this was later revised to £450m and then to £500m. Total assistance came to £250m and banks brought forward balances £50m below target. These were partly offset by Exchange transactions which added £465m.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Dec 14, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Deutsch Mark. Lists interest rates for various currencies.

MONEY MARKETS

LONDON MONEY RATES. Table with columns: Dec 12 1984, Sterling, Interbank, Local deposits, Treasury, etc.

Discount Houses Deposit and Bill Rates. Table with columns: Local Auth, Treasury, etc.

FT LONDON INTERBANK FIXING. Table with columns: 11.00 a.m. December 14, 3 months U.S. dollars, etc.

EGCD Fixed Rate Export Finance IV: Average Rate of Interest per month 7 1/2 to December 4 1984 (inclusive): 8.94 per cent. Local authorities and finance houses seven days' notice, after seven days' lived. Finance Houses Base Rate (London and Scottish Clearing Bank Rates for lending 9 1/4 per cent from December 1 1984. London and Scottish Clearing Bank Rates for lending 9 1/4 per cent from December 1 1984. Local authorities and finance houses seven days' notice 6 1/2 per cent. Treasury Bills Average tender rates of discount 8.08 per cent. Certificates of Deposit (Series 6): Deposit £100,000 and over held under one month 9 1/4 per cent; one-three months 9 1/4 per cent; three-six months 9 1/4 per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 9 1/4 per cent from November. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

AMERICAN MARKETS. Table with columns: ALUMINUM 40,000 lb. cents/lb., COFFEE "C" 37,000 lb. cents/lb., COPPER 25,000 lb. cents/lb., etc.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

Table with columns: Latest price, Change on week, Year ago, High, Low. Lists various commodities like Metals, Grains, etc.

REVIEW OF THE WEEK

Nickel futures surge to record level. BY OUR COMMODITIES STAFF. IT WAS a week of mixed fortunes on the metal markets. Nickel futures advanced to record levels on the London Metal Exchange reflecting a shortage of immediately available supplies. Yesterday the cash price edged up to £1,025 a tonne, £102.5 up on the week. The three months price in contrast gained only £63.5 to £4,167.5. LME warehouse stocks of nickel have already fallen to a 22-month low of 10,590 tonnes and further heavy shipments out are forecast this week. Available (cash) supplies also helped buoy up the lead, zinc and copper markets. On Monday it was reported that the eight-month old strike by St Joe workers on the Missouri lead belt had been settled. This followed the end of the Asarco stoppage earlier and it is generally expected that Amex workers will go back to work by a complete return to working Missouri. Lead values on the LME, however, were sustained by a decline in warehouse stocks that pushed the cash price to a greater premium over the three months quotation. Copper values held up in spite of the settlement of the Southern Peru strike. A further decline in warehouse stocks put pressure on nearby supplies and the gap between the cash and three months prices narrowed. In contrast gold prices fell to the lowest level for 2 1/2 years, depressed both free market platinum and silver. World sugar values moved sharply lower this week though dealers could offer no fundamental explanation for the move, which they attributed to "fired long liquidation". The decline was accelerated by the breaching of chart resistance points, they added. The London daily raws price slipped to \$103 a tonne at one stage—a 14-year low—before steadying a little to end \$2 down on balance at \$104.50 a tonne. The International Coffee Organisation (ICO) yesterday announced a 1m bags increase to 60m bags (60 kilos each) in export quotas for member countries. But the move, triggered automatically by the decline of the 15-day average indicator price, below 135 cents a pound, had been generally expected and had little impact on prices. On the London futures market coffee prices gradually recovered from an early fall, which was prompted by rumours that roasters were being offered attractive discounts on Brazilian 1985 crop supplies. But after falling back again yesterday the March contract ended £18 down at £2,229 a tonne. The London futures market recovered from an early fall, which was prompted by rumours that roasters were being offered attractive discounts on Brazilian 1985 crop supplies. But after falling back again yesterday the March contract ended £18 down at £2,229 a tonne.

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LONDON STOCK EXCHANGE

MARKET REPORT

Continuation of institutions' shopping spree takes equities to new peaks and Telecom past 100p mark

Account Dealing Dates
Option
*First Declara- Last Account Dealings Date
Nov 26 Dec 7 Dec 17
Dec 10 Dec 20 Dec 21 Jan 7
Dec 24 Jan 10 Jan 21
+2 News Items
Dealings may take place from 9.30 am to two business days earlier.

British Telecom hoisted the century flag and leading industrial achieved new landmarks in an exuberant London equity market yesterday. The FT ordinary index jumped 7.8 to a record 835.4 and other indices rose to new peaks as institutional investors continued their pre-Christmas shopping spree. Adverse U.S. influences were pushed aside by investors reacting to reports that Budget taxation cuts could be twice the amount envisaged recently by the Chancellor.

The significant rise in UK manufacturing output during the last quarter and news that a year-on-year increase was contained at around five per cent were other stimulants. Continuing worries over North Sea crude oil price levels failed to temper overall enthusiasm, although the oil majors did tend to ease as investors switched funds.

Small public selling of BT, easily the week's outstanding developmental story, was offset by the huge premium on the issue price (50p) increased further. After touching 101p, BT closed 2 up on the session at 100p, more than double the initial offer level. ICI attracted a lively interest. Sterling-dollar considerations on top of the group's large U.S. acquisition, aroused strong American buying of the shares which surged 7 1/2p before settling a net 2 1/2 up at 71 1/2p.

Hopes that Wall Street would respond to last week's 8.1% fall in money supply were confirmed—the Dow Jones average was over 7 points up initially—but London values came away from the best late. The highest interday calculation of the FT ordinary share index was 839.1, at 1 pm.

Government stocks made another attempt to shake off the drag of this week's extremely disappointing UK money statistics and PSBR. Once again, however, the recovery movement stalled and eventually went into reverse following lower futures market prices. Opening rates were in U.S. hands set the seal on

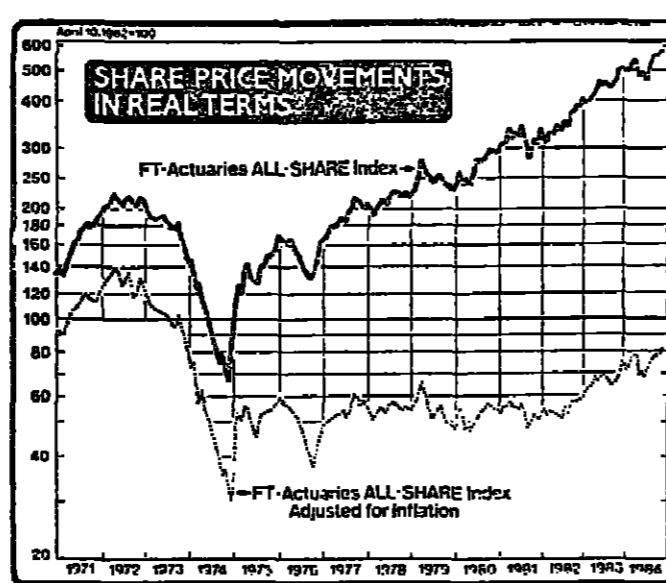
a poor week for gilt-edged and longer-dated issues. Finished shopping fresh losses ranging in favour after the latest RPI figure and lost part of the previous three-day rise.

Inter-American Development Bank 9 1/2 per cent Loan 2015 made a quiet debut, initially trading at a small discount before picking up to close at par in £30-paid form.

Life Insurances soar

Life insurance companies were outstanding performers again in the wake of Hambro Life's suspension on Thursday at 488p. Following news of the bid approach. Takeover favours within the sector such as Equity and Law and Sun Life responded to revived speculative support which lifted the former 24 better at 270p and the latter 23 higher at 760p. Equity's interim results are scheduled for Tuesday. London and Manchester, 585p, and Refuse, 555p, jumped 23 and 23 respectively, while Pearl advanced 18 to 965p and Britannia 6 to 533p. Legal and General improved 8 to 567p, as did Prudential, to 513p. Charterhouse J. Rothschild, which owns a near 25 per cent stake in Hambro Life, advanced 3 to 99p, after 100p. GRE, however, the holder of a 10 per cent interest in HL and rumored as a possible predator, softened a couple of pence to 688p. Lloyds Brokers met with revived speculative demand, particularly C. E. Heath, which put 10 at 470p. PWS, interim results at 355p, 430p and Mint added 7 to 212p. Elsewhere, London United Investments gained 12 to 350p.

Quietly firm conditions prevailed among the major clearests. Lloyds put 7 more to 812p, while Relays, 548p, and NatWest, 575p, gained 3 apiece. Midland touched 37p before retreating late to finish unaltered at 368p. Clive Finch improved 3 to 72p. Breweries finished the week on a bright note. Dealers reported substantial demand throughout the session with investment activity dwelling on Bass, which touched 47p before closing a net 15 up at 467p. Recent favourite, Witherby and A market rise for breath. Ritsa, a penny to 215p for a gain on the



week of 22. Arthur Guinness advanced 7 to 183p, while Sentish and Newcastle, interim figures due on Monday, hardened a few pence to 135p. Grand Metropolitan also returned in favour and advanced 11 to 330p; the preliminary results are scheduled for next Thursday.

Building shares displayed a firmer tendency. Amoyed, the leader, Blue Circle improved 6 to 473p. Elsewhere, renewed American demand lifted Geo. Wimpey 3 more to 116p and Hecsterson Group were worthy of mention at 266p, up 10. Among Timbers, Phoenix closed 4 off at 124p, after 12 1/2p, mirroring the lower interim profits.

Laurie's found support and refused to give ground, while refiners continued to demand lifted. Shell rose 6 further to 215p.

Home Charm feature

The prospect of an increase in income tax thresholds further stimulated a Stores sector already enjoying support behind the traditional Christmas spending spree. Gussies A highlighted with a gain of 15 to 688p, after 688p, while brokers given to a meeting with holders of Capital Cure Alerts lifted British Home 9 to 273p. Harris Queensway, 224p, and MFI, 239p, advanced 8 apiece, while Home Charm, buoyed by fresh takeover speculation, spurred 27 for a week's gain of 58 at 370p; the 7 per cent loan stock rose 16 points

to 1161. Renewed demand for Dixons found shares short of 510p. Currys improved 17 to 577p. Favourable Press comment prompted buying of Body Shop International which rose 45 in a narrow market to 476p, having earlier attained a new peak of 458p. J. Howerth, 485p, and Our Price, 285p, put on 15 and 13 respectively. Among Mail-order, gains of around 6 were noted for Gratton, 158p, and Freemans, 175p. Renewer widened 13 to 160p in response to the interim news that bid talks had proved to be abortive, but later rallied to close only 1 1/2 lower on balance at 180p. A still up 25 over the five-day period.

Powell Duffryn bid

Powell Duffryn rose 80 to 330p, after 445p, on news of the share exchange offer from Hanson. The bid, which closed unaltered at 289p, after 284p, which values the bid at just over 355p per share. Metal Box, thought to be a possible target for Hanson, fell 1 1/2p before recovering to 372p. Hanson, helped by a broker's upgraded profits estimate, encountered renewed demand and touched 88 1/2p prior to ending 12 higher on the day at 375p. Support was again forthcoming from Real International which was 8p dearer at 355p, the company's announced yesterday; the sale of Index Printers and Thomson Photo-Lith, both improved 11 points to 106p, but ran back to settle only a net penny harder at 106p, but ran back to settle only a net penny harder at 106p, but ran back to settle only a net penny harder at 106p.

Leisure concerns displayed no trend after a moderate trade. Pineapple Dance Studio edged forward a couple of pence to 71p on the annual results, while improvements of 3 and 6 respectively were noted for Leisure Centre Corporation, 227p, and Insight, 94p. Sunbeam Film Service, however, fell 20 to 580p.

Publishers continued to trade firmly. Associated Newspapers rose 7 to record a week's gain of 27 to 102p, after 102p, after 102p. The preliminary figures are expected early next month. Daily Mail A advanced 20 to 330p and buyers also showed interest in Associated Book, 17 up at a new 1984 peak of 350p. Sir Joseph Causton reported 25.1% after 14.5p, 25.1%, 25.1%, after 14.5p. The preliminary figures are expected early next month. Daily Mail A advanced 20 to 330p and buyers also showed interest in Associated Book, 17 up at a new 1984 peak of 350p.

Leading Engineers met with revised institutional buying GKN and Vickers advanced 4 apiece to 185p and 212p respectively, but TI drifted 2 lower to 225p. Elsewhere, Babcock International were noteworthy for a gain of 6 to 130p, while IRI put on 11 to 89p. Demand for a restricted market left Ruffhage 13 dearer at 418p and Spring put on 3 to 18p reflecting the annual profits recovery. William Cook closed a shade lower at 59p following the interim figures and warning about second-half prospects.

Shell lose ground

Nervousness about the outcome of next Wednesday's OPEC meeting called todiscuss price differentials prompted persistent selling pressure in the leading oils. Quotations gave ground throughout the day before a fraction above their lowest levels. Shell were especially vulnerable after the recent weakness in the spot price of Brent crude and ended the day 11 off at 635p, while BP slipped to 453p prior to closing 5 down at 452p. LAMCO closed 11 cheaper at 823p and Britoil fell 5 to 202p, after 201p. Burmah Oil, on the other hand, were buoyed by increasing speculation about an imminent bid or the possible sale of its subsidiary, Quilon. Laxell subsidiary advanced to 194 1/2p from 194p and advanced to 194 1/2p from 194p.

Minoro down again

Confirmation that Charter Consolidated had sold 7m Minoro shares at a price of 88p—30p more than the price of 58p—prompted further selling of Minoro which dipped 10 more to 590p, for a two-day loss of 50. Charter came under pressure in early trading and fell 18 1/2p before rallying to close a net 3 lower at 187p, leaving the shares 14 higher over the week; the company announced better-than-expected interim results on Wednesday.

	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	%YR ago
Government Secs	89.34	89.59	89.91	89.10	89.29	89.37	89.34
Fixed Interest	86.79	86.95	86.99	86.12	86.11	86.37	85.96
Ordinary	835.4	827.6	822.3	830.1	830.3	827.0	729.8
Gold Mines	604.0	517.5	531.6	528.8	528.7	547.3	558.0
Ord. Div. Yield	4.61	4.64	4.66	4.62	4.65	4.68	4.63
Earnings, Yld. 2 1/2	11.67	11.76	11.88	11.80	11.82	11.20	9.45
P/E Ratio (incl. Div)	10.28	10.31	10.10	10.17	10.15	10.04	12.93
Total Bargains (Est.)	27,281	29,435	33,586	31,221	34,892	22,886	27,411
Equity turnover (Est.)	353.94	371.69	406.72	359.28	361.27	365.56	365.61
Equity bargains (est.)	37,585	44,106	41,900	25,795	27,110	16,430	16,430
Shares traded (mth.)	234.4	249.4	266.5	218.8	237.3	143.9	143.9

10 am 837.1, 11 am 837.8, Noon 837.7, 1 pm 838.1, 2 pm 838.5, 3 pm 836.3, 4 pm 837.0

Base: 100 Govt. Secs, 15/1/28, Fixed incl. 1/28, Ordinary 1/7/33, Gold Mines 12/9/35, SE Activity 1974.

Latest Index: 01-246 8028
+ Nil = 0.95.

	1984	Sine Compl't'n	Dec. 13	Dec. 12
Govt. Sec.	86.77	75.78	127.4	49.18
Fixed Int.	87.48	80.43	150.4	10.53
Ordinary	94.8	79.8	187.7	18.75
Gold Mines	711.7	425.7	142.90	18.48

Other indices: Gilts Edged, Bargains, 127.6, 156.1; Shares Bargains, 243.6, 285.8; Value, 718.4, 761.7; Shares Bargains, 134.1, 134.6; Value, 229.7, 215.9; Value, 766.7, 870.9.

Tobacco	+58.24	Property	+18.35
Insurance Brokers	+47.77	Capital Goods	+17.31
Health and Welfare Products	+40.07	Investment Trusts	+15.81
Other Groups	+36.81	Shipping and Transport	+14.73
Retailing	+32.50	Textiles	+14.11
Food, Beverages, Publishing	+32.04	Financial Group	+13.72
Office Equipment	+29.27	Insurance	+13.69
Other Industrial Materials	+27.28	Insurance (Life)	+11.09
Consumer Group	+26.48	Building Materials	+11.29
Food Manufacturing	+22.78	Banks	+11.74
Industrial Group	+22.02	Other Consumer	+11.24
Mechanical Engineering	+21.27	Motors	+9.24
Chemicals	+20.47	Chemicals	+8.70
500-Share Index	+20.28	Insurance	+8.26
Brewers and Distillers	+18.47	Contracting, Construction	+5.89
Discount Houses	+13.84	Mining Finance	+1.25
Insurance (Compos)	+12.24	Electronics	+1.62
Stores	+11.55	Metals and Metal Forming	+0.79
Overseas Traders	+11.02	Metals Index	+0.11
All-Share Index	+10.99	Merchant Banks	+0.22

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS		Fri Dec 14 1984		Thu Dec 13		Wed Dec 12		Tue Dec 11		Mon Dec 10		Year approx.		
Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	High	Low	
1 CAPITAL GOODS (205)	+0.7	9.63	3.79	13.01	547.60	544.78	547.81	548.42	661.68	536.82	19.71	450.90	127	358.82
2 Building Materials (23)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
3 Commercial Construction (4)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
4 Electronics (34)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
5 Mechanical Engineering (46)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
6 Metals and Metal Forming (9)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
7 Motors (17)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
8 OTHER GROUPS (13)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
9 CONSUMER GROUP (18)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
10 Brewers and Distillers (23)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
11 Food Manufacturing (21)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
12 Food Retailing (12)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
13 Non-Ferrous Metals (19)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
14 Leisure (22)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
15 Newspapers, Publishing (13)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
16 Packaging and Paper (14)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
17 Stores (45)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
18 Textiles (19)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
19 Tobacco (3)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
20 Other Consumer (17)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
21 OTHER GROUPS (13)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
22 Chemicals (17)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
23 Office Equipment (4)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
24 Shipping and Transport (13)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
25 Other Consumer (17)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
26 Telephone Networks (12)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
27 INDUSTRIAL GROUP (40)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
28 Oils (17)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
29 500 SHARE INDEX (500)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
30 FINANCIAL GROUP (17)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
31 Banks (6)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
32 Discount Houses (6)	+0.5	12.24	4.32	9.35	590.43	590.43	590.43	590.43	590.43	590.43	25.04	602.78	197	613.19
33 Insurance (Life)														

STERLING ISSUES BY FOREIGN GOVTS. & INTNL INSTITUTIONS
African Dev 8 11/25/94 2010 4334

CORPORATION & COUNTY
Greater London Council 6949 1990-92

COMMERCIAL INDUSTRIAL
AE PLC 500 1988-94 2764 (11/12)

UK PUBLIC BOARDS
Agricultural Mtn 4 1986-91 5641

COMMONWEALTH GOVT.
Southern Rhodesia 49 1972-74 (Unass)

FOREIGN STOCKS
(coupons payable in London)
Basis (Spain) 500 1984-91 1914

STERLING ISSUES BY OVERSEAS BUYERS
American Brands 12 1984-91 4110

BANKS, DISCOUNT
Bk Ireland 7 1984-91 2724

BREWERIES
Allied-Lions 5 1984-91 478

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

RETAILERS
Asda 1 1984-91 100

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Tailman system:

Table with columns for company names, share prices, and other financial details. Includes entries like Imperial Foods, Lloyds Bank, and various industrial shares.

MINES - JUSCELLANEOUS

AMAX 500 1980-85 1012 (10/12)

MINES - SOUTH AFRICAN

Anglovaal 4 1980-85 1712 (10/12)

FINANCIAL TRUSTS

Alfred Home Inter 100 1980-91 100

INSURANCE

Com Int Assur 1989-2000 611

INVESTMENT TRUSTS

Alliance Tr Acpt 533 (10/12)

EUROPEAN OPTIONS EXCHANGE

Table showing call and put options for various companies like ABN, AMRO, and others.

SHIPPING

Grave Shipping A-N-V 421 520 (7/12)

UTILITIES

British Channel Sea Rebuilders 100 51

WATERWORKS

British Waterworks 3 1984-91 567

UNLISTED SECURITIES

Access Satellite Int'l 100 180 4. New

Address Communications 120 192 (11/12)

Applied Robotics 120 192 (11/12)

Consolidated-Bathurst A 9374 (7/12)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Abbey National Bk 900 1984-91

RULE 535 (4) (a)

Bargains marked in securities whose principal markets are outside the UK

ACI Int'l 125 (7/12)

RULE 535 (3)

Dealings for approved company engaged solely in...min exploration

APPOINTMENTS

John Laing senior posts

From January 1 Mr Peter Johnson is appointed finance director of JOHN LAING

Mr Harold Astley Whitall has been appointed secretary chairman of the ENGINEERING INDUSTRY TRAINING BOARD

Mr Graham Pettit has been appointed general manager of THE G BANK, Kuwait

Mr A. E. Holdsworth gen manager, has been appointed director of DAS LEI EXPENSES INSURANCE CO

Mr Roy M. Carver has been appointed chairman of the CONSUMERS' REGION (WIMBORNE) REGION

Mr G. A. Donald of TI FMT Electronics has been appointed chairman of the wide-band radio communications of the ELECTRONIC ENGINEERING ASSOCIATION

Mr William Wilks has been appointed commercial director of REPT PUBLISHING

Mr Andrew Blaneardi has been appointed director of Multitone Communications International

Mr D. J. Monier has been appointed an executive director of PURNERS WITHY AND CO

Mr R. J. P. Palley, finance director, has been appointed to the board of a non-executive director

Mr Len Brooks, who became chairman of the MANAGER CONSULTANTS ASSOCIATION, has been appointed to the board of a non-executive director

Mr James Fergusson has been appointed a director of THE ASSOCIATION

Mr Peter Mansell has been appointed a director of LLOYD'S LIFE (ISLE OF MAN)

Mr James Fergusson has been appointed a director of THE ASSOCIATION

Mr James Fergusson has been appointed a director of THE ASSOCIATION

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Nelsons Group, Key Fund Managers, Perpetual Unit Trust, and others, with columns for name, details, and performance metrics.

Table listing various unit trusts such as Key Fund Managers, Perpetual Unit Trust, Pacific Unit Trust, and others, with columns for name, details, and performance metrics.

Table listing various unit trusts such as Pacific Unit Trust, Transatlantic and East Sea, and others, with columns for name, details, and performance metrics.

Advertisement for Charnley Davies Group with the headline 'BEFORE YOU INVEST IN A UNIT TRUST... TALK TO US' and detailed text about unit trusts and investment services.

Table listing various unit trusts such as Midland Bank Group, Northgate Unit Trust, and others, with columns for name, details, and performance metrics.

Table listing various unit trusts such as Northgate Unit Trust, Northgate Unit Trust, and others, with columns for name, details, and performance metrics.

Handwritten text at the top of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Main table containing financial data for various insurance and investment funds, including columns for fund names, descriptions, and numerical values.

OFFSHORE AND OVERSEAS

Money Market

Trust Funds

Bank Accounts

Money Market

Trust Funds

Bank Accounts

Money Market

Trust Funds

Bank Accounts

Money Market

Trust Funds

Bank Accounts

Money Market

Trust Funds

Bank Accounts

Money Market

Trust Funds

Bank Accounts

Money Market

FT LONDON SHARE INFORMATION SERVICE



BRITISH FUNDS

1984	Stock	Price	Chg	Yld
105	Shorts (Lives up to 5 Years)	10.00		10.00
106	Each 12/30/85	10.00		10.00
107	Each 12/30/86	10.00		10.00
108	Each 12/30/87	10.00		10.00
109	Each 12/30/88	10.00		10.00
110	Each 12/30/89	10.00		10.00

Five to Fifteen Years

1984	Stock	Price	Chg	Yld
111	Each 12/30/90	10.00		10.00
112	Each 12/30/91	10.00		10.00
113	Each 12/30/92	10.00		10.00
114	Each 12/30/93	10.00		10.00
115	Each 12/30/94	10.00		10.00

Over Fifteen Years

1984	Stock	Price	Chg	Yld
116	Each 12/30/95	10.00		10.00
117	Each 12/30/96	10.00		10.00
118	Each 12/30/97	10.00		10.00
119	Each 12/30/98	10.00		10.00
120	Each 12/30/99	10.00		10.00

UNCATED

1984	Stock	Price	Chg	Yld
121	Each 12/30/00	10.00		10.00
122	Each 12/30/01	10.00		10.00
123	Each 12/30/02	10.00		10.00
124	Each 12/30/03	10.00		10.00
125	Each 12/30/04	10.00		10.00

INDEX LINKED

1984	Stock	Price	Chg	Yld
126	Each 12/30/05	10.00		10.00
127	Each 12/30/06	10.00		10.00
128	Each 12/30/07	10.00		10.00
129	Each 12/30/08	10.00		10.00
130	Each 12/30/09	10.00		10.00

INT. BANK AND OCEAS GOVT STERLING ISSUES

1984	Stock	Price	Chg	Yld
131	Each 12/30/10	10.00		10.00
132	Each 12/30/11	10.00		10.00
133	Each 12/30/12	10.00		10.00
134	Each 12/30/13	10.00		10.00
135	Each 12/30/14	10.00		10.00

COMMONWEALTH AND AFRICAN LOANS

1984	Stock	Price	Chg	Yld
136	Each 12/30/15	10.00		10.00
137	Each 12/30/16	10.00		10.00
138	Each 12/30/17	10.00		10.00
139	Each 12/30/18	10.00		10.00
140	Each 12/30/19	10.00		10.00

FOREIGN BONDS & RAILS

1984	Stock	Price	Chg	Yld
141	Each 12/30/20	10.00		10.00
142	Each 12/30/21	10.00		10.00
143	Each 12/30/22	10.00		10.00
144	Each 12/30/23	10.00		10.00
145	Each 12/30/24	10.00		10.00

AMERICANS

1984	Stock	Price	Chg	Yld
146	Each 12/30/25	10.00		10.00
147	Each 12/30/26	10.00		10.00
148	Each 12/30/27	10.00		10.00
149	Each 12/30/28	10.00		10.00
150	Each 12/30/29	10.00		10.00

CANADIANS

1984	Stock	Price	Chg	Yld
151	Each 12/30/30	10.00		10.00
152	Each 12/30/31	10.00		10.00
153	Each 12/30/32	10.00		10.00
154	Each 12/30/33	10.00		10.00
155	Each 12/30/34	10.00		10.00

BANKS, HP AND LEASING

1984	Stock	Price	Chg	Yld
156	Each 12/30/35	10.00		10.00
157	Each 12/30/36	10.00		10.00
158	Each 12/30/37	10.00		10.00
159	Each 12/30/38	10.00		10.00
160	Each 12/30/39	10.00		10.00

LOANS

1984	Stock	Price	Chg	Yld
161	Each 12/30/40	10.00		10.00
162	Each 12/30/41	10.00		10.00
163	Each 12/30/42	10.00		10.00
164	Each 12/30/43	10.00		10.00
165	Each 12/30/44	10.00		10.00

BEERS, WINES AND SPIRITS

1984	Stock	Price	Chg	Yld
166	Each 12/30/45	10.00		10.00
167	Each 12/30/46	10.00		10.00
168	Each 12/30/47	10.00		10.00
169	Each 12/30/48	10.00		10.00
170	Each 12/30/49	10.00		10.00

BEERS, WINES - Cont.

1984	Stock	Price	Chg	Yld
171	Each 12/30/50	10.00		10.00
172	Each 12/30/51	10.00		10.00
173	Each 12/30/52	10.00		10.00

BUILDING INDUSTRY, TIMBER AND ROADS

1984	Stock	Price	Chg	Yld
174	Each 12/30/53	10.00		10.00
175	Each 12/30/54	10.00		10.00
176	Each 12/30/55	10.00		10.00
177	Each 12/30/56	10.00		10.00
178	Each 12/30/57	10.00		10.00

CHEMICALS, PLASTICS

1984	Stock	Price	Chg	Yld
179	Each 12/30/58	10.00		10.00
180	Each 12/30/59	10.00		10.00
181	Each 12/30/60	10.00		10.00
182	Each 12/30/61	10.00		10.00
183	Each 12/30/62	10.00		10.00

DRAPERY AND STORES

1984	Stock	Price	Chg	Yld
184	Each 12/30/63	10.00		10.00
185	Each 12/30/64	10.00		10.00
186	Each 12/30/65	10.00		10.00
187	Each 12/30/66	10.00		10.00
188	Each 12/30/67	10.00		10.00

DRAPERY & STORES - Cont.

1984	Stock	Price	Chg	Yld
189	Each 12/30/68	10.00		10.00
190	Each 12/30/69	10.00		10.00
191	Each 12/30/70	10.00		10.00
192	Each 12/30/71	10.00		10.00
193	Each 12/30/72	10.00		10.00

ELECTRICALS

1984	Stock	Price	Chg	Yld
194	Each 12/30/73	10.00		10.00
195	Each 12/30/74	10.00		10.00
196	Each 12/30/75	10.00		10.00
197	Each 12/30/76	10.00		10.00
198	Each 12/30/77	10.00		10.00

ENGINEERING - Continued

1984	Stock	Price	Chg	Yld
199	Each 12/30/78	10.00		10.00
200	Each 12/30/79	10.00		10.00
201	Each 12/30/80	10.00		10.00
202	Each 12/30/81	10.00		10.00
203	Each 12/30/82	10.00		10.00

FOOD, GROCERIES, ETC

1984	Stock	Price	Chg	Yld
204	Each 12/30/83	10.00		10.00
205	Each 12/30/84	10.00		10.00
206	Each 12/30/85	10.00		10.00
207	Each 12/30/86	10.00		10.00
208	Each 12/30/87	10.00		10.00

HOTELS AND CATERERS

1984	Stock	Price	Chg	Yld
209	Each 12/30/88	10.00		10.00
210	Each 12/30/89	10.00		10.00
211	Each 12/30/90	10.00		10.00
212	Each 12/30/91	10.00		10.00
213	Each 12/30/92	10.00		10.00

HOTELS - Continued

1984	Stock	Price	Chg	Yld
214	Each 12/30/93	10.00		10.00
215	Each 12/30/94	10.00		10.00
216	Each 12/30/95	10.00		10.00
217	Each 12/30/96	10.00		10.00
218	Each 12/30/97	10.00		10.00

Investing International

Handwritten note: "Medicine 1/20"

INDUSTRIALS—Continued

Table of industrial stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

LEISURE—Continued

Table of leisure stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

PROPERTY—Continued

Table of property stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

INVESTMENT TRUSTS—Cont.

Table of investment trusts with columns for High, Low, Stock, Price, Div, Yld, and P/E.

OIL AND GAS—Continued

Table of oil and gas stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.



MINES—Continued

Table of mine stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

SHIPPING

Table of shipping stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

SHOES AND LEATHER

Table of shoes and leather stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

SOUTH AFRICANS

Table of South African stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

TEXTILES

Table of textile stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

TOBACCO

Table of tobacco stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

FINANCE, LAND, ETC

Table of finance, land, and other stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

PLANTATIONS

Table of plantation stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

INSURANCES

Table of insurance stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

PROPERTY

Table of property stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

INVESTMENT TRUSTS

Table of investment trusts with columns for High, Low, Stock, Price, Div, Yld, and P/E.

MINES

Table of mine stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

NOTES

Notes section containing various financial notices and announcements.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

OPTIONS—3-month call rates

Table of 3-month call rates with columns for Stock, Price, Div, Yld, and P/E.

LEISURE

Table of leisure stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

PROPERTY

Table of property stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

INVESTMENT TRUSTS

Table of investment trusts with columns for High, Low, Stock, Price, Div, Yld, and P/E.

OIL AND GAS

Table of oil and gas stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks with columns for High, Low, Stock, Price, Div, Yld, and P/E.



THE LEX COLUMN

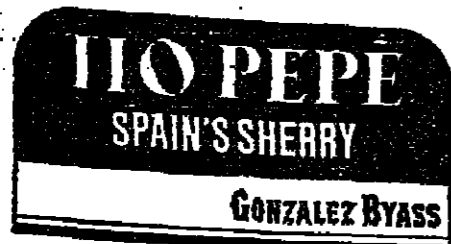
Hark, the Hanson heralds sing

Index rose 7.8 to 935.4

There is more than a touch of the kill-joy about Lord Hanson. This time last year he effectively kiboshed London Brick's Christmas party and yesterday he repeated the trick with Powell Duffryn.

made possible by the nifty leasing deal with British Airways; and Mr Goodman will not be paying any of that funny old Corporation Tax until next year.

Insan should start the new year with £80m in cash and can go on happily painting in the crowded middle-range hotel market; it could clear £2.5m from the Comfort adventure even without another offer.



MAN IN THE NEWS

Asking the £65 question

BY RAYMOND SNODDY

"MY MOTHER always used to say that if I didn't study I would never have five shillings for a hawk's licence."

Now Young is concerned with a different sort of licence—the campaign he launched this week for a £65 colour licence for the next three years for the Corporation.

At the moment Stuart Young was launching his public campaign for a 40 per cent higher television licence political journalists were told that the Prime Minister was not opposed in



STUART YOUNG

principle to advertisements on the BBC. In an instant half the space available in the morning papers to make the BBC case was lost to what was seen as a political spoiling action.

Young has come a long way from what many took to be a Prime Ministerial appointment designed to instil some financial discipline in the profiteers at Broadcasting House. Instead he has turned into the BBC's greatest asset in arguing public service issues in the language of monetarism for what Young believes is the finest broadcasting organisation in the world.

"I have been 30 years in accountancy and I have put my name to that licence fee application. My personal credibility is at stake. Every line of that budget has been justified," says Young.

He wants to lead a national debate to find creative ways of broadening the base of the licence to reduce the burden on the needy. Although he came to the BBC as a governor convinced that a little advertising would be no bad thing, he now believes such a policy would be a disaster.

It would take the Corporation down a slippery slope leading to lower standards on the American model, he believes. The high standards of British broadcasting are founded on a monopoly of income for both the BBC and the ITV companies and a healthy competitive duopoly on the screen.

"If I am unable to convince people of the justice and logic of the case (on advertising), I think it should go to a Royal Commission," he says.

Young, whose brother David, recently entered the Lords and the Cabinet, says of the BBC chairmanship: "This is the most important job I will ever do and I don't expect it to be my last."

More important than your brother's? "Much more."

Jokes. He makes the point that the BBC is the most respected and envied broadcasting organisation in the world, a point brought home to him when, as a Jew, he headed an official delegation to Saudi Arabia.

He feels a great sense of responsibility for the preservation of a 60-year tradition.

"It would be disastrous if the BBC got into the wrong hands and through negligence politicians were allowed to debase the coinage," he says.

"I hope the detractors of the BBC will be less emotional and think through the effects of what they are advocating." And, in what could be a personal motto, he adds: "less heat, more thought."

EEC-U.S. fail to ease trade conflict

BY QUENTIN PEEL IN BRUSSELS

TOP-LEVEL talks in Brussels between the U.S. Administration and the European Community yesterday failed to resolve conflicts between them on trade in steel and agricultural products.

They broke up with both sides insisting they would defend their positions in the General Agreement on Tariffs and Trade, but ruling out an outright trade war.

The only issue on which they appear to agree was that there was sufficient common ground for them to prepare for a new round of Gatt negotiations at ministerial level in 1985.

The Brussels talks, headed by Mr George Shultz, the U.S. Secretary of State, and Mr Gaston Thorn, president of the European Commission, ended with U.S. officials rejecting any suggestion of compensation for their restrictions on imports of EEC steel pipes and tubes.

At the same time, Mr John Block, the U.S. Secretary of Agriculture, served notice of an "aggressive" farm export policy, and a firm rejection of what he called "unfair trade practices."

Viscount Etienne Davignon, EEC Commissioner for Industry, and Mr Poul Dalsager, Commissioner for Agriculture, responded by insisting that Community rights under the existing Gatt would be maintained, including the right to fair shares of the market and compensation where necessary.

On the crucial area of agricultural trade relations, Mr Block warned that the proposed U.S. Farm Bill to be introduced by the Administration in the New Year, would increase competition in world markets.

"The U.S. Government has never believed in dividing up the world market with some sort of market shares," he said. Washington would work to bring down trade barriers, but it did not seek to launch a trade war.

"We believe the law of competitive advantage should rule. So let us look to the future with bold new aggressive policies," Mr Dalsager, however, served notice of European resistance to any free-for-all in farm trade.

saying that the Community had "an agreement in the Gatt in which we are working with a so-called fair share of the market and the Community intends to stick to that policy."

In spite of talks on Thursday night between Mr William Brock, President Ronald Reagan's special trade representative, and Viscount Davignon, the two sides did not find "any common ground for understanding or agreement" on the question of European steel exports to the U.S., according to an agreed statement read by Mr Thorn after the meeting.

Mr Brock said the issue of compensation had not been discussed between the two delegations, but he added that the Administration believed it could defend its restriction on imports of steel pipes and tubes from the Community in the Gatt.

There was no justification for any suggestion of compensation, he said.

Viscount Davignon said there was "a difference of appreciation" between the two sides. A special Gatt council meeting is

to discuss the matter on Monday.

"If the matter is not resolved within the council, we have reserved our rights within the Gatt," Viscount Davignon added.

"We think that the decision taken by the U.S. are not in accordance with the Gatt rules."

The U.S. delegation also expressed fears about the effects of the likely enlargement of the EEC to include Spain and Portugal from 1986, which could hit many U.S. exports, including some \$1bn of cereals sold to Spain each year.

The EEC delegation responded by pointing to the likely reduction in other tariffs, principally for industrial goods, and stressing the importance of the Community preference given to members of the EEC.

U.S. to lift IMF bar on Poland

By Christopher Bobinski in Warsaw

THE U.S. has told Poland that it is lifting its veto on Polish membership of the International Monetary Fund.

The ban was part of the Western sanctions invoked in response to Poland's imposition of martial law and the banning of the Solidarity trade union in December, 1981.

The sanctions have been dismantled piece by piece over the past three years but the process was speeded up after the Polish amnesty for political prisoners last July.

The U.S. is persisting with its withdrawal of most-favoured-nation treatment for Poland as well as a ban on new government credits and credit guarantees for Poland's debt-ridden economy.

Mr Stanislaw Nieschwarz, the Polish Finance Minister, yesterday declared himself pleased with the U.S. decision on the IMF and said his Government was waiting for formal unblocking of the Polish application.

The decision was also welcomed by Professor Witold Trzeciakowski, an economic adviser to the Polish Church which has opposed sanctions almost from the outset.

"Poland's crisis can be resolved only through imports of Western technology and a consequent boosting of trade both with Comecon—the Eastern bloc's economic grouping—and the West," he said. The IMF decision would make all this easier.

Poland applied to join the IMF in November, 1981, at the same time as Hungary. Hungary has since entered the fund. Other Communist members are Romania, Yugoslavia, Vietnam and China.

The Poles, whose hard currency foreign debt is expected to reach \$28.1bn (£23.5bn) by the end of the year, are intent on IMF membership to improve their standing in credit talks with Western banks and governments. They also hope to raise IMF credits.

UK inflation rate down to 4.9%

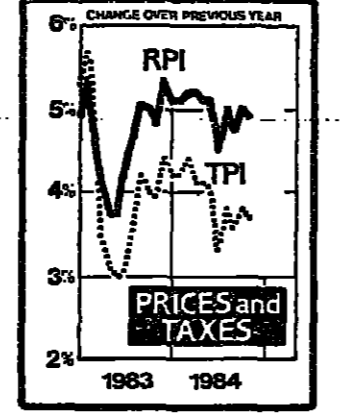
BY PHILIP STEPHENS

BRITAIN'S annual inflation rate edged down to 4.9 per cent last month from 5 per cent in October and the Government is forecasting a further fall in December.

The Employment Department said yesterday that the retail price index rose by 0.3 per cent in November, with most of the increase accounted for by dearer coal, newspapers, cigarettes and some food.

Mr Tom King, the Employment Secretary, said he was optimistic that this month's figures would show a further, and perhaps higher, fall.

The Treasury has predicted an average inflation rate of 4 1/2 per cent for the final quarter of this year. But because that figure is a rounded fraction an average rate below 4.37 per



implying a 4.7 per cent figure for December, would allow the target to be met. The Government is confident

of such a fall because the recent cut in mortgage rates will reduce the December index by 0.3 per cent. Lower seasonal food prices and pre-Christmas discounts on drink and cigarettes should also dampen inflationary pressure.

Among price rises expected in December are higher telephone charges and more expensive eggs and fresh meat.

The retail price index was at 358.8 in November (January 1974=100) compared with 357.7 the previous month.

The tax and price index, which measures the effect of both inflation and tax changes on incomes, was at 194.1 last month (January 1978=100), 3.7 per cent higher than in the comparable month of 1983.

Editorial comments, Page 18

OECD more hopeful about 1985

BY DAVID HOUSEGO IN PARIS

THE U.S. ECONOMY is slowing less sharply than previously thought, with some strengthening of domestic demand in Europe partly offsetting the problems that slowdown creates, the Organisation for Economic Co-operation and Development says in its latest six-monthly forecast, to be published next Thursday.

The OECD, which groups the main industrialised countries, is marginally more optimistic about world growth prospects for next year than at the time of its last half-yearly economic outlook in July.

For the U.S., it sees real gross national product expanding by 3 per cent in 1985

against the 2 1/2 per cent it predicted in July.

This is still below the 4 per cent Mr Bert Sprinkel, U.S. Under Secretary for Monetary Affairs, announced this week to monetary experts in Paris as the U.S.'s own estimate.

For the western European economies, the OECD secretariat predicts 2 1/2 to 3 per cent growth next year compared with the 2 1/2 per cent forecast six months ago.

The OECD now expects inflation among the industrialised countries to fall below the 5 1/2 per cent it predicted in July. This reflects a lower level of real wage increases than it had earlier predicted, in part offset by higher price increases.

Overall the organisation expects world output to increase by 3 per cent next year. Expansion of 4-5 per cent is forecast for Japan, with a slowing down of exports offset by a growth in domestic investment.

The OECD secretariat is divided about the significance of the slightly more optimistic picture. Some senior officials emphasise the immense uncertainty surrounding the U.S. projections and fear that both U.S. and European growth could be weaker.

If this proves to be the case, they believe that the spring meeting of OECD finance ministers will be dominated by renewed discussion of the need for some stimulus to maintain activity in Europe.

Walker cool Continued from Page 1

Mr Willis told Mr Walker, who was accompanied by Mr Tom King, the Energy Secretary, and Mr David Hunt, the junior Energy Minister with responsibility for coal, that the drift back to work was now negligible, and that the strike would stay largely solid.

He called for "reconciliation through negotiation" as a way to heal divisions in the mining areas.

Mr Walker said that the Government had ensured that a "uniquely generous" offer would be made to miners made redundant, and that it had not

anticipated a strike. The strike had been called without a national ballot; two of the three mining unions did not strike, nor did one-third of the NUM membership.

Both sides agreed that there should be a negotiated settlement and that they wished to see an expanding and efficient coal industry. Mr Willis confessed his disappointment at the result of the meeting, but the TUC stressed that the framework proposal had not been explicitly rejected by Mr Walker.

The NCB said last night that "new faces" returned to

work yesterday, taking the week's total to 477.

Mr Scargill was found guilty at Rotherham Magistrates' Court of two charges of obstruction arising from incidents at the Orgreave coking plant on May 30. He was fined £250, with costs of £750.

Hanson Continued from Page 1

ducts, clothing and household goods, which mirror many of Hanson's own activities.

Other substantial stakes understood to have been accumulated by Hanson in the last year include a holding of more than 3 per cent in Charter Consolidated, the industrial and mining finance group, and in-

terests in Coats Patons, the Scottish textiles company.

Hanson recently announced a rise of 86 per cent to £169m in pre-tax profits in the year to September 30. It has a market valuation of more than £1.5bn and estimates that it is one of Britain's top 50 leading companies. At September 30, it had gross cash assets of £452m.

Laker Continued from Page 1

BA's anti-trust grounds was dropped at President Ronald Reagan's instigation. But this is seen as no comfort at all for BA in the civil courts, where it is thought by some that the President's action could even prejudice a U.S. jury in favour of damages.

Mr Gordon Dunlop, BA's chief financial officer, could make no

comment last night. "Not" was Mr Morris available for comment. The Department of Transport, however, said it had never regarded February 14 as a firm date for privatisation.

"We have always said it was the Government's aim to privatise BA in the first part of 1985," said the Department, "and that remains the position."

CHIEF PRICE CHANGES YESTERDAY

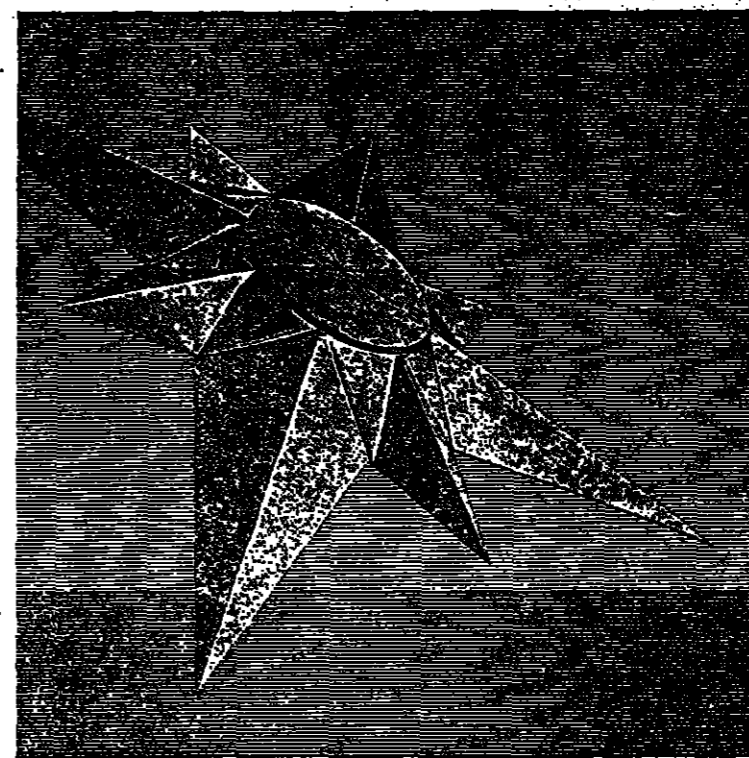
(Prices in pence unless otherwise indicated)

Table with columns for RISES and FALLS, listing various commodities and their price changes.

WORLDWIDE WEATHER

Table with columns for location, day, and weather conditions, listing various global locations.

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